

Arch (Development Projects) Limited

Berwick upon Tweed Options Appraisal



July 2018

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1.0 Executive Summary

1.1 Objective

Northumberland County Council (NCC) is working with partners at NHS Northumberland Clinical Commissioning Group (CCG) and Northumbria Healthcare NHS Foundation Trust (NHFT) to consider the possibility of integrated development including leisure services, health and social care.

Arch (Development Projects) Ltd (Arch) have been instructed by NCC to assist with an options appraisal for providing a new leisure and hospital facilities in Berwick upon Tweed, replacing the existing Swan Centre and Berwick Infirmary.

The appraisal assesses the spatial requirements of each facility for five sites identified by NCC, CCG and NHFT. The sites include: The Swan Centre, Berwick Infirmary, Seton Hall (including the Fire Station site), Land South of Cemetery Lane (Roberts Lodge) and Newfield's playing fields - refer to Section 3.2, Figure 3.

For those sites able to accommodate one or both facilities, the appraisal considers the constraints and opportunities of each site. Of those sites deemed feasible, an indicative development costs for each feasible site is provided.

1.2 The Facilities

The options addressed in the appraisal are based on the facilities as follows:

New Leisure Centre

- 5,000 sqm GIA (5,000 sqm footprint)
- Wet leisure (no spa),
- Dry leisure
- External sport provision - one full size grass pitch and two Multi Use Games artificial pitches (note – the combined development on the Swan Centre will require the external sport provision is required to be located on another site).
- Parking of c.100 bays
- External works
- Site infrastructure

NB – The configuration and size of the building has been informed by the Faulkner Brown study commissioned by Arch / NCC in 2017. This is subject to further review and confirmation.

New Hospital

- 6,133 sqm GIA (4,300 sqm footprint, including two courtyards)
- 16 ward bed (2x 4 bed + 8 single en-suites), Minor injuries, OPD (10 consult rooms, plus 2 podiatry), Audiology out, Maternity, Endoscopy out, Minor procedure room, Physio and gym, Oncology, Radiology, GP, Tweedmouth, Medical record and meeting rooms
- Parking of c 100 bays
- External works
- Site infrastructure
- Option of including extra care / residential to the upper floor or standalone building (cost consideration only)

NB - The above is informed from NHFT review of the 2016 redevelopment plans and services. This has reduced the GIA from 8,133 sqm to 6,133 sqm. This is subject to further review and confirmation.

1.3 Site Assessment – Spatial Capacity

Initially, a spatial capacity assessment was undertaken of each site to assess whether the site could accommodate one or both buildings. Table 1 below provides a summary of this assessment. Following this, opportunities and constraints were considered for each site and the results are summarised in Table 2.

Further detail of each site is provided in Section 2.2.

Table 1 - Spatial Capacity Assessment Summary

Site	Use		
	Leisure Only	Hospital Only	Leisure and Hospital
Site A - Swan Centre	Fits, highly visible and can be built with maintaining current services	Fits within existing site layout with leisure centre retained but loss of outdoor football pitches which contradicts current Sports Strategy report	Fits - but loss of outdoor football pitches which contradicts current Sports Strategy report
Site B - Berwick Infirmary	Doesn't fit	Fits but further investigation required into phasing and decanting to maintain services	Doesn't fit
Site C- Seton Hall	Fits but with significant enabling and infrastructure work with possible relocation of fire station	Fits with significant enabling and infrastructure work with possible relocation of fire station	Doesn't fit
Site D - Roberts Lodge	Fits but severs housing accesses and difficult topography	Fits but severs housing accesses and difficult topography	Fits but severs housing accesses and difficult topography
Site E - Newfields Playing Area	Fits but the site has 'Village Green' status	Fits but the site has 'Village Green' status	Fits but difficult linear configuration

Table 2 - High Level Site Appraisal – Constraints & Opportunities

A RAG classification was allocated toward each site / build option against the site capacity assessment and the constraints and opportunities.

SITE APPRAISAL	Site A Swan Centre			Site B Berwick Infirmary			Site C Seton Hall			Site D Roberts Lodge			Site E Newfields		
	Leisure	Hospital	Co	Leisure	Hospital	Co	Leisure	Hospital	Co	Leisure	Hospital	Co	Leisure	Hospital	Co
Spatial Capacity Assessment	Green	Green	Amber	Red	Green	Red	Amber	Amber	Red	Green	Green	Green	Amber	Amber	Amber
Site constraints and opportunities for sites that meet spatial															
Access	Green	Green	Green		Amber		Red	Red		Red	Red	Red	Red	Red	Red
Parking	Green	Green	Green		Amber		Amber	Amber		Amber	Amber		Green	Green	Amber
Utilities	Green	Green	Green		Green		Amber	Amber		Red	Red	Red	Amber	Amber	Amber
Drainage	Green	Green	Green		Green		Amber	Amber		Green	Green	Green	Amber	Amber	Amber
Flood Risk	Green	Green	Green		Green		Amber	Amber		Green	Green	Green	Amber	Amber	Amber
Ground Conditions – geotech / geoenv	Green	Green	Green		Green		Amber	Amber		Amber	Amber	Amber	Amber	Amber	Amber
Existing Buildings	Amber	Amber	Amber		Amber		Amber	Amber		Green	Green	Green	Green	Green	Amber
Programme - phasing	Green	Green	Red		Red		Green	Green		Green	Green	Green	Green	Green	Amber
Governance and decision making	Green	Green	Amber		Amber		Green	Green		Amber	Amber	Amber	Amber	Amber	Amber
Planning	Green	Green	Amber		Green		Green	Green		Amber	Amber	Amber	Amber	Amber	Amber
Legal	Green	Green	Green		Green		Green	Green		Green	Green	Green	Green	Green	Green
Archaeology	Green	Green	Green		Red		Amber	Amber		Amber	Amber	Amber	Amber	Amber	Amber
Listed Buildings	Green	Green	Green		Red		Green	Green		Green	Green	Green	Green	Green	Green
Topography	Green	Green	Green		Green		Amber	Amber		Red	Red	Red	Amber	Amber	Amber
Environmental	Green	Green	Green		Amber		Amber	Amber		Amber	Amber	Amber	Amber	Amber	Amber
Highways Development (S278 / 38)	Green	Green	Green		Green		Red	Red		Red	Red	Red	Red	Red	Red
Ownership	Amber	Green	Amber		Green		Red	Red		Green	Green	Green	Green	Amber	Green

RAG Definition

Spatial Capacity Assessment:

- Red the site cannot accommodate the building/s
- Amber the site can accommodate the building/s but subject to configuration and review of the schedule of accommodation
- Green the site can accommodate the building/s

Site Constraints and Opportunities for sites that meet spatial requirements:

- Red difficult constraint, high risk, high probability and impact with difficult and expensive mitigation
- Amber medium constraint, medium risk, medium probability and impact with viable mitigation
- Green no / acceptable constraint, low risk, medium probability and impact with easy mitigation

1.4 Cost

In order to understand the cost benefits of implementing the options a “Do Nothing” option based on retaining the existing facilities is offered.

In the main, the appraisal compares the indicative development cost of each feasible site and considers any savings in co-locating the facilities on one site. The estimated capital saving of building both facilities on the Swan Centre site is circa £500,000, however, this is to be further tested in relation to more developed design proposals, programme and phasing.

Table 3 - Indicative Development Costs (£millions)

Site / Options	Costs			Total
	Works *	Services **	Land	
Site A - Swan Centre				
Leisure only	£20.9	£1.8	£0	£22.7
Leisure & Hospital	£48 ***	£5.2	£0	£53.2
Site B - Infirmary				
Hospital only	£27.9	£3.1	£0	£31.0
Site C - Seton Hall				
Hospital only	£28.6	£3.1	£1.3	£33.0

NOTES:

Figures rounded to nearest 100,000

* Hall and Partners construction estimated costs – including demolition, buildings, external works and site infrastructure, contingency, price and design risk and inflation

** professional fees, statutory fees and surveys

*** £1.150m deducted from Hall and Partners order of cost associated with Sport pitches lost due to co-location

1.5 Governance & Programme

A joint facility built on the Swan Centre site is likely to extend the programme delivery of the leisure centre by 9 months if a joint planning application is dependent upon the outcome of the CCG consultation process. Separate applications could provide a phased approach to allow the leisure centre to be delivered more quickly within the 36 months, with the hospital to follow. This would require a hybrid planning application.

1.6 Conclusion

The Swan Centre appears to be the most feasible site for co-locating the leisure centre and new hospital.

The cost of a co-located development on the Swan Centre is £53.2m. A saving of circa £0.5m over separate developments on the Swan Centre and Infirmary site could be possible.

In order to accommodate the leisure centre and hospital on the Swan Centre, the existing external sport provision will need to be provided on another site, unless the size of the buildings can be reduced further.

The Programme for delivery through a hybrid application offers the opportunity to commence the facilities separately, whilst the CCG consultation proceeds in parallel to avoid a significant delay in delivering the new leisure centre. A further option exists in terms of programme delay mitigation could be to examine a refurbishment alternative for the leisure centre.

The extra care / residential option can be added to the cost of the hospital and two options have been examined and are included in Appendix 2, as follows:

- 1) Additional floor to the hospital of circa 800 sqm - £2.4m excluding fees and VAT
- 2) Additional standalone building of circa 800 sqm - £1.7m excluding fees and VAT

With the limited information available it appears the standalone extra care building is more cost effective and the Swan Centre could accommodate the additional building, subject to the final site layout and building form.

2.0 Introduction & Brief

Northumberland County Council is working with partners at NHS Northumberland Clinical Commissioning Group (CCG) and Northumbria Healthcare NHS Foundation Trust (NHFT) to consider the possibility of integrated development including leisure services, health and social care on one site.

Arch (Development Projects) Ltd have been instructed by Northumberland County Council (NCC) to assist with an options appraisal for providing new leisure and healthcare facilities in Berwick upon Tweed, replacing the existing Swan Centre and Berwick Infirmary.

The appraisal has been prepared with collaboration and interplay with NCC internal departments, such as: Planning, Highways, Estates and Active, NHS Operations Team / CCG / NHS Estates and Arch's knowledge base from previous work on Berwick.

Proposals for a new leisure centre were subject to community consultation in early 2017. Support for the proposal was very positive, including to maintain the facility on the existing Swan Centre site. Plans to redevelop Berwick Infirmary have been discussed and considered over a number of years. A £25m redevelopment of the Berwick Infirmary site was announced in 2016. Both proposals were put on hold whilst further reviews took place with regard to a joint location.

3.0 Assessment:

3.1 Do Nothing Scenario

3.1.1 Current Situation and Background

Both the Berwick Infirmary and the Swan Centre facilities represent aged assets which carry significant backlog maintenance and ongoing cost liabilities which will only increase in the short-medium term. These facilities will therefore place significant budget pressures for their upkeep repair and operation when compared to new facilities.

The significance of the issues with each facility is fully recognised by NHFT and NCC who separately commissioned various reports and studies for their replacement (or significant refurbishment) centred on their current locations.

3.1.2 The Swan Centre

Current Situation

The Swan Centre is a failing asset. It was built in the 1990s and has been refurbished /added to and extended several times and has been managed by different entities of privatisation.

Membership has steadily declined as the asset has declined. Within the context of the study commissioned by Active into the Strategy for Sports Facilities (May 2018) it is the worst performing leisure asset within the County Portfolio.

Customer feedback in the national benchmark scoring system defines it as declining, to the point that membership has declined so much the revenues cannot sustain the centre and it makes significant losses. The most recent condition survey places a requirement on the Council / Active to spend c.£2.2m minimum essential works over the next 5 years and a c.£900,000 backlog maintenance immediate spend.

It is recognised that the condition of the buildings poses significant problems and is the least energy efficient of all County centres.

Coupled with the poor-quality extensions to the building and a lack of routine maintenance, the deteriorating environment has had a significant impact on the customer offer and experience. This was evident at the public consultation, especially in relation to recent increased membership fees.

However, the community appear wedded to the Swan Centre site and not a relocation option as reflected in the Statement of Community Involvement. The site was considered to be at the centre of the community and within walking distance of populous / growth in housing areas with good public transport. The community (and tourists) is currently deprived of a high-quality offer, particularly on bad weather days for a destination for the family.

Table 4 below provides a summary of the current situation with the Swan Centre by comparison to Ashington Leisure Centre as a benchmark.

	Berwick	Ashington - Benchmark Comparator
Customers	600	2600
Customer Score Rating compared to national average of 33	11	43
Annual Cost / Expenditure	£840,000 (£231,000 on utilities)	£1,280,000 (£210,000 on utilities)
Annual Revenue	£600,000	£1,200,000 (excluding revenue savings with integrated library)
Annual Profit / Loss	- £240,000	£83,000
Backlog Maintenance Liability	£888,000 immediate attention and £500,000 backlog over the next 3 years	Minimal / Zero
Viability / Liability	£104,000 minimum loss year 1 and further losses of £340,000, £390,000 and £500,000 projected in the next 3 years Total loss projection over next 3 years is c.£2.2m	£83,000 nominal with breakeven year 2 and £100,000 profit year 3 - notably the spa does not generate significant income Profit target in next 3 years

Table 4

Consequences of a Do Nothing Scenario on Berwick Leisure Centre/ Swan Centre

The only conclusion with a DO NOTHING scenario will mean that Active Northumberland and NCC carry on suffering significant losses generated by a failing asset. These losses will accumulate due to escalating and continuing maintenance, whilst at the same time Active customer numbers could continue to decline. This will eventually reach a level that the Swan Centre may have to close because this is no longer a sustainable situation.

3.1.3 Berwick Infirmary

Current Situation

The existing Berwick Infirmary, which opened in 1874 and has been expanded in several phases during the 20th century to the facilities in operation today and was constructed on either small fields or gardens, but the earlier history of the area is unclear. It is one of the hospitals providing care as part of NHFT. This hospital provides community inpatient beds; an urgent care centre and midwifery led maternity service. Maternity and Gynaecology / Community in patient and urgent care services were inspected as part of a comprehensive inspection by CQC in 2015 reported May 2016 and rated as good.¹

The current services provided at this hospital include; inpatient services for elderly medicine, stroke and orthopedic rehabilitation and palliative care; a minor injuries unit which is open 24 hours and supported by GPs; extensive outpatient clinics and day hospital services; diagnostics including x-ray, ultrasound, barium and mobile scanners; physiotherapy, occupational therapy, speech and language therapy, podiatry and intermediate care; a midwifery-led maternity unit with single delivery room and birthing pool; pre-assessment and day surgical procedures and an oncology unit where chemotherapy treatments are carried out two days a week.



Figure 1 – Existing Infirmary site layout

In 2014, Northumbria NHS commissioned an outline business case /study² for a new hospital, examining the option to build a new hospital (retaining the same services) on the existing Berwick Infirmary site. With the increasing costs to operate and maintain the infirmary and a significant maintenance backlog (currently reported at £1.4m) action was needed on its future.

The conclusion from the outline business case was to build a new hospital on the existing site to replace the existing aged facilities. The announcement for the new hospital was made public in 2016 with plans to build a new hospital (8,133 sqm) at a cost of £25m on the existing site. The cost breakdown was as follows: £18.1m build works, £2.4m fees, £1m Fixtures and Equipment and £3.225m Risk (15 %).

It is understood that the new hospital was intended to provide the same services as existing with the potential to expand outpatient and diagnostic services. The new facility will also provide space to improve integration between health and social care services. This configuration has been used in the options appraisal based on a reduced footprint – 4,300 sqm including two courtyards.

¹ CQC Report

² Outline Business Case – New Infirmary



Figure 2 – 2016 Redevelopment Proposals Footprint

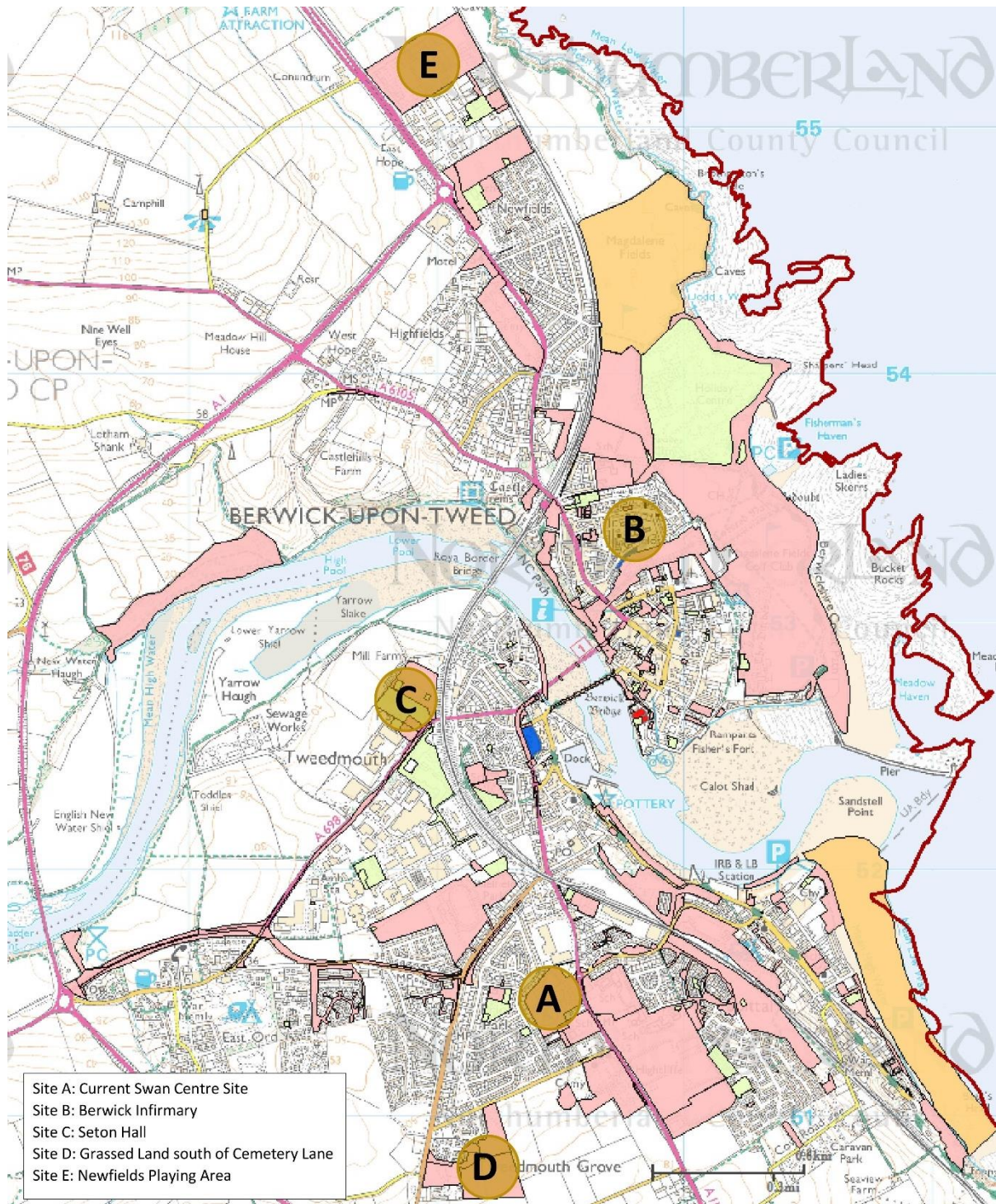
Consequences of a Do-Nothing Scenario on Berwick Infirmary

There is no viable DO-NOTHING scenario for Berwick Infirmary. The recent updated business case / review, alongside public announcements and a significant urgent backlog cost in the estate and facility make it imperative that a new hospital is progressed.

3.2 Site Appraisal – Context, Constraints and Opportunities

3.2.1 Site Locations

Figure 3 shows the location of sites under consideration for either separate or combined facilities. The sites were chosen because they comprise land primarily owned by either NCC or NHFT.



Plan provided by NCC, 2018

Figure 3 – Site Location Plan

Site A: The Swan Centre, 4ha

Description

The land is owned by NCC and is the site of the current Swan Leisure Centre. It is well served in terms of infrastructure and very accessible with good transport connectivity for locals and visitors, including public transport, car, foot and bike. It is surrounded by domestic dwellings on its western and southern boundary, commercial units to the north and the A1167 road to the east with an existing roundabout providing entry to the facility.

Deliverability Considerations

The previous consultation proved that a new leisure centre could be built on the site sequentially whilst maintaining leisure provision. Various site layouts were considered - the preferred layout included the pool hall as a 'landmark' / 'gateway' building, fronting the A1167, making it highly visible for the community and tourists.

The illustration below demonstrates that the site is capable of accommodating the hospital and leisure centre. To maintain the 'landmark' building status of the pool hall, the hospital would be located to the rear of the site and sit on/across the existing football pitches.

Significant Constraints

There is some concern from a planning perspective of the close proximity of a dominant building with the existing housing – reviews would be required into the possible impact. The football pitches, which are referenced to be 'retained and enhanced' in the Sports Pitches report for Berwick would have to be re-provided elsewhere.



Site B: Berwick Infirmary, 1.42ha

Description

The Berwick Infirmary site lies within close proximity of the town centre and is a well-established land use and in the ownership of the NHS. Facilities have grown over the decades within a very compact urban environment. It comprises multiple buildings for different services with numerous entry points. The rest of the estate is surrounded by housing on the periphery on High Greens, Low Greens and Brucegate.

Deliverability Considerations

The site is not large enough to accommodate the hospital and leisure centre. It would not be practical to construct a leisure centre on the site whilst maintaining the Infirmary. However, a previous study is understood to have proven a new hospital could be built maintaining services by sequential decanting - this will be challenging, more expensive and be protracted than building on a vacant site.

The site is well serviced, though the access and car parking will require careful thought. A relocation could bring the opportunity for a capital receipt but it is likely the site would need to be cleared in order to reduce risk and cost to the purchaser.

Significant Constraints

As with most of the town centre, the site is within with the Conservation Area. However, it is understood that the NHS is granted extensive permitted development rights under the Town & Country Planning (General Permitted Development) Order 1995. This is recognised in the Berwick Character Appraisal, which suggests that 'exercising these rights has the potential to significantly affect the character and appearance of the conservation area'. Ordinarily, the design proposals would need to contribute positively to the character, distinctiveness or significance of the conservation area.

Archaeology is unknown at this present time but with recent new developments in the town, it is likely to prolong construction until ground works are completed. This is an ongoing risk against the footprint of the new hospital as buildings are removed and the archaeology examined.



Site C: Seton Hall, 2.55ha

Description

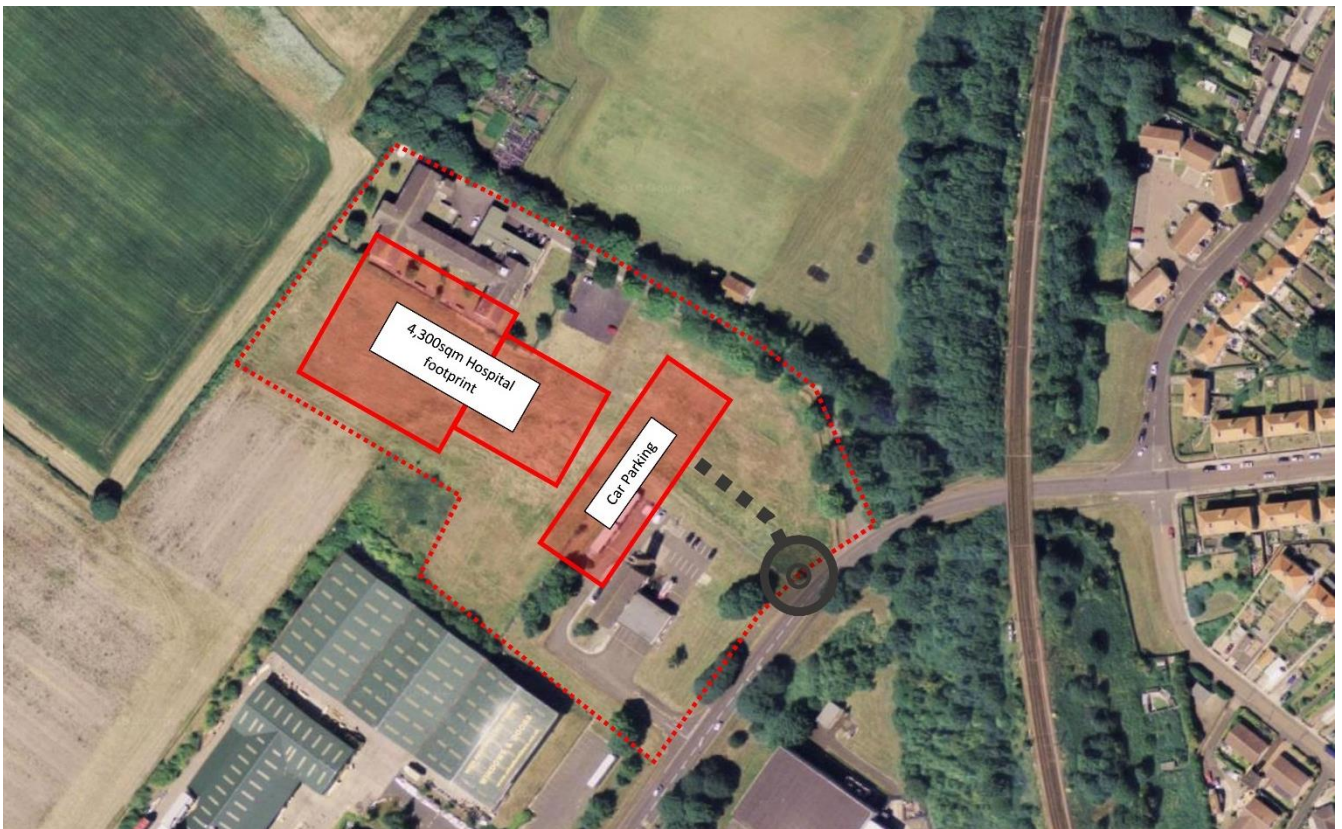
The site is made up of two parts: 1) a flat fire station site currently occupied and owned by NCC, 2) and a formerly owned NCC parcel of land (now in private ownership) to the rear of the fire station comprising the now derelict Seton Hall.

Deliverability Considerations

The site can only accommodate the new hospital. This could be positioned to the rear of the site, utilising the existing fire station area if relocated to provide, access, car parking and frontage. There may be opportunity to consider a new building on the site to accommodate a combined new Ambulance and Fire Service. The cost, subject to specification and scale could be in the order of £3-4m.

Significant Constraints

The site has challenging topography with the site rising 2.5m from the road toward Seton Hall. The development land is not well serviced, access is via a narrow road with poor visibility at its junction with the A698. NCC Highways Development have expressed concerns regarding the challenging access due to poor visibility and sightlines. A new roundabout and access road off the A698 is required to provide the required visibility - the road would be on a gradient rising to the rear of the site. Utility connections are likely to be expensive. It is understood that the land is on a buy back arrangement with compensation. This will make the infrastructure provisioning and the relocation an expensive and protracted option in terms of delivery programme.



Site D: Roberts Lodge, 7.25ha

Description

The site is to the south of town and owned by NCC and allocated as 'white land' in terms of planning.

Deliverability Considerations

The site has the spatial capacity to accommodate both the new leisure centre and hospital. However, the frontage is accessed from the B6354 Etal Road to the houses on a typical housing estate road but this area is not large enough for the developments which are forced to the rear of the site.

Significant Constraints

Overall the site has very challenging topography - the area between the bungalow housing estates slopes upwards from the road towards the rear of the houses by around 2m, then steeply rises to the rear of the site by a further 3-4m. Due to the difference in level, extensive earthworks will be required to cut a new access road from the existing road through to the rear of the site. Equally the frontage link road is severed by any upgraded access. Traffic onto the B road is likely to require widening and at least a right turn pocket junction in terms of external highways improvements. NCC Highways Development expressed serious concerns regarding access and the LPA expressed general concerns for the use on this site compared to others under consideration.

Utility connections are likely to be very expensive for the hospital and leisure centre because the site is unserviced and remote and may result in on site package treatment plants /power plants being required not just hook ups to local networks.

Because the facilities are pushed to the rear of the site neither facilities will be visible and neither will be in close proximity to customers.



Site E: Newfields, 3.66ha

Description

The Newfields site is owned by NCC, apart from a small area of land – illustrated on the plan below and is located off the A1 and adjacent to the Ramparts Business Park. There are existing football pitches and floodlit areas reportedly assigned to football teams.

Deliverability Considerations

On plan the site can accommodate both facilities but the configuration is awkward and linear, determined by the rectangular form of the site.

Significant Constraints

The site has 'Village Green' status which would prevent its redevelopment quickly without protracted negotiations for alternative provision in close proximity and the immediate area does not provide that opportunity. The existing football pitches would be lost with a new development.

Difficult access, lack of utilities and drainage (surface water), challenging topography and close proximity of the rail line and nearby school all offer constraints to development. Access from Windsor Way West to unlock the site would need significant remodeling taking up approximately a third of the land. The site falls steeply from the existing A1 roundabout to the mainline railway at the eastern boundary - extensive regrading of the levels / accommodating the topography would be required to construct an access road and accommodate a large footprint building pushed to the northern boundary and screened from the houses as shown on the plan. A pumping station would be needed for foul water into the sewer network. A surface water outfall exists which crosses under the mainline railway and discharges in a sea outfall. The capacity is unknown and a new outfall requiring consent and culverting under the mainline railway is anticipated which will prove costly and time consuming under Third Party engineering consents with Network Rail. Extensive storage of surface water could be a solution but this will be equally expensive and require a pumping station / pumping main and possibly a directionally drilled outfall.



3.2.2 Summary

The site appraisal has identified a shortlist of feasible sites / options for costing as follows:

Feasible Sites:

- Site A (Swan Centre) – new leisure centre only
- Site A (Swan Centre) – both new leisure centre and hospital (provided sports pitches strategy is overcome and Active and the NHS can accept little expansion space)
- Site B (Infirmary) – new hospital only
- Site C (Seton Hall) - new hospital only (land purchase included)

Unfeasible Sites:

- Site D (Roberts Lodge) is not considered for costing because it is not a viable proposition as explained above – remote location, challenging topography and significant infrastructure requirements to facilitate development.
- Site E (Newfields) is not considered for costing due to the Village Green status.

3.3 Feasible Sites – Indicative Development Costs

An indicative development cost has been prepared for each site / option listed above. Hall and Partners (Special Projects Ltd) have provided an order of cost estimate for the works (construction only), refer to Appendix 2. These costs exclude 'on-costs' e.g. fees and surveys and VAT – please refer to the 'Commentary and Approach' in Appendix 2 for an extensive list of exclusions and the approach to deriving the cost estimate.

The of order of cost estimate has been prepared on very limited design information and should be viewed as a cost framework within which design development and risk evaluation can take place.

Due to the limited nature and extent of information available, assumptions have been made in relation to the general level of specification proposed and quality expectations envisaged.

Certain provisional cost allowances have been included pending further investigations, surveys and clarification works.

As the design proposals develop a firming up exercise should be carried out in relation to the assumptions pricing information and data used as a means of cost checking, updating and monitoring.

As Chartered Surveyors Hall and Partners subscribes to the BCIS (Building Cost Information Service) which is part of the RICS and is a provider of cost and price information for the UK contractor industry. The BCIS provides statistical analysis of prices and costs sampled from the industry which represent general price levels and distribution. BCIS has been used to develop the Order of Cost Estimates for this scheme utilising a cost per m² approach.

In each instance the median (mid-point) rate per m² has been used for each of the Buildings proposed, (excluding external works and contingencies, with preliminaries apportioned) and expressed this as £ per m² of gross internal floor area. This £ per m² has been adjusted and rebased for both time (an inflationary increase to current day price levels) and location (to Berwick upon Tweed). The rate includes 'standard' fit-out but excludes specialist equipment.

Extracts from BCIS £/m² studies for the following building functions are included as an appendix to our Order of Cost Estimate.

- 562.11 Sports Centre / recreation centres including swimming pools.
- 412. General hospitals, GP hospitals, Cottage hospitals.

A summary of the costs is shown in Table 5 below, full details provided in Appendix 1 and 2.

Table 5 - Indicative Development Costs (£millions)

Site / Options	Costs			Total
	Works *	Services **	Land	
Site A - Swan Centre				
Leisure only	£20.9	£1.8	£0	£22.7
Leisure & Hospital	£48 ***	£5.2	£0	£53.2
Site B - Infirmary				
Hospital only	£27.9	£3.1	£0	£31.0
Site C - Seton Hall				
Hospital only	£28.6	£3.1	£1.3	£33.0

NOTES:

Figures rounded to nearest 100,000

* Hall and Partners construction estimated costs – including demolition, buildings, external works and site infrastructure, contingency, price and design risk and inflation

** professional fees, statutory fees and surveys

*** £1.150m deducted from Hall and Partners order of cost associated with Sport pitches lost due to co-location

The table illustrates:

- I. Sites A and B are more cost effective for development, due to already established infrastructure, fewer constraints and no land value.
- II. The total cost for building each facility on separate sites is £53.7m compared to the cost of building the equivalent facilities on the Swan Centre together is £53.2m – a difference of c.£0.5m. based on potential savings in preliminaries and the supply chain, assuming the buildings were constructed concurrently.
- III. Building both facilities concurrently will add complexity, from procuring the specialist designs teams to design the buildings through to appointing capable contractors with experience in health and leisure. This approach to delivery will also require concurrent decision making to advance designs concurrently through planning and procurement.

4.0 Governance & Programme

4.1 New Leisure Centre only

From appointment of a design team, it typically takes circa 12 months to develop the design for a new leisure centre through RIBA Workstage's 1-4 i.e. to planning, procurement and construction. This is illustrated in the summary indicative programme below.

This pace of delivery requires effective and swift decision making in agreeing each RIBA stage. In order to deliver quickly and effectively it is imperative to have a concise, clear and agreed development brief (budget, scope, quality and programme) at the outset. This will help mitigate abortive work. It is possible to consider accelerating the programme through alternative procurement routes such as a Frameworks, this might enable earlier engagement with a contractor. However, the overall time required to progress the design for planning and construction will still be required.

Subject to the final design and site layout (and extent of sequential construction / decanting) it is considered that a 24-month construction programme will be required.

The overall delivery programme from preparation of the planning submission to operational handover is circa 36 months.

PLANNING	191 days	Mon 06/08/18	Mon 29/04/19
Preparation of Planning Submission	12 wks	Mon 06/08/18	Fri 26/10/18
Community Consultation Event	1 day	Mon 17/09/18	Mon 17/09/18
Submission of Planning Application	1 day	Mon 29/10/18	Mon 29/10/18
Validation of Application	1 wk	Tue 30/10/18	Mon 05/11/18
Statutory Approval Timescale	13 wks	Tue 06/11/18	Mon 04/02/19
Planning Approval (Incl. Pre Commencement Conditions)	0 days	Mon 04/02/19	Mon 04/02/19
Discharge of Pre Commencement Conditions	12 wks	Tue 05/02/19	Mon 29/04/19
WORKS PROCUREMENT - SINGLE STAGE TENDER - OJEU	207 days	Tue 27/11/18	Wed 11/09/19
Design Development (Stage 3 / 4)	12 wks	Tue 27/11/18	Mon 18/02/19
Preparation of SQ Document	3 wks	Tue 05/02/19	Mon 25/02/19
Client / Tenant Approval	1 wk	Tue 26/02/19	Mon 04/03/19
Publish OJEU Notice - SQ	0 days	Mon 18/03/19	Mon 18/03/19
SQ Period	30 days	Tue 19/03/19	Mon 29/04/19
Return of SQ	1 day	Tue 30/04/19	Tue 30/04/19
Evaluation and Shortlist	2 wks	Wed 01/05/19	Tue 14/05/19
ITT	8 wks	Wed 15/05/19	Tue 09/07/19
ITT Evaluation	6 wks	Wed 10/07/19	Tue 20/08/19
Approval	1 wk	Wed 21/08/19	Tue 27/08/19
Award Contract / Standstill	10 days	Wed 28/08/19	Tue 10/09/19
Publish OJEU Contract Award	1 day	Wed 11/09/19	Wed 11/09/19
CONSTRUCTION	541 days	Wed 11/09/19	Wed 06/10/21
Mobilisation	4 wks	Wed 11/09/19	Tue 08/10/19
Construction	104 wks	Wed 09/10/19	Tue 05/10/21
Completion	1 day	Wed 06/10/21	Wed 06/10/21

4.2 New Hospital only

The hospital will require a longer delivery programme, taken into account the CCG statutory consultation period. It is understood that the reworking of the business case will take place over the period of this September to November, allowing for a report to be prepared for consideration in February 2019 and to take back to the various Clinical Boards internally March / April 2019 (circa 9-month period). At this time, it is

anticipated that the leisure centre will be concluding a planning determination and progressing to works procurement.

The previously reported construction period is 36 months.

The overall delivery programme is 57 months (CCG business review and consultation 9 months, preparation of the planning submission and procurement 12 months, construction 36 months).

4.3 Leisure and Hospital combined

A co-located development (leisure centre and hospital) on the Swan Centre site is likely to extend the programme delivery of the leisure centre by 9 months if a joint planning application is dependent upon the outcome of the CCG business review and consultation. Separate applications could provide a phased approach to allow the leisure centre to be delivered more quickly within the 36 months, with the hospital to follow. This would require a hybrid planning application.

5.0 Significant Risks

There are general risks associated with all options that need to be considered and specific risks within each option which need to be recorded in more detail. The following significant risks are highlighted.

5.1 Sport England / Loss of Sports Pitches

A report³ has been issued which states that the pitches at the Swan Centre Berwick need to be protected and enhanced. Any interference or loss of sports pitch facility will result in Sport England objections unless additional provision was made to replace any loss.

5.2 Finalising the Hospital Brief

The form and size of the hospital and the facilities within it are still being debated and the footprint for the exercise of siting arrangements is a carryover “reduction” to the previous footprint. There is therefore a risk of a protracted discussion ensuing to develop a final requirement for the hospital, which at this stage represents a medium/high risk to any fast track delivery concurrent with the leisure centre. This could result in delays to progressing a co-location strategy.

5.3 Programme and Delivery

NCC and NHFT need to move quickly into procurement of works but some options represent significant risks in terms of programme. In general terms the leisure centre can move more quickly through planning and procurement to a start on site. Whereas CCG require further inputs, consultation and finalisation of the current provision, as referred to in section 3.3.

5.4 Procurement Complexity

Any joint building contract would have to marry the NHFT GMP desire and NCC normal JCT Design and Build for two fundamentally distinctive specialist buildings with totally different specifications. The phasing of the build and sectional completion within the contract could be difficult. Whereas there is a possible supply chain saving the complexity of the contract could increase tender prices if each tenderer views the joint risk as greater than separate building contracts.

³ Playing Pitch Strategy Report, May 2018

6.0 Conclusion

The options appraisal has been prepared to assist the considerations by NCC, CCG and NHFT to integrate leisure services, health and social care in Berwick upon Tweed, replacing the existing Swan Centre and Berwick Infirmary.

The appraisal has assessed the spatial requirements of each facility for five sites identified by NCC, CCG and NHFT. For those sites able to accommodate one or both facilities, the appraisal considered the constraints and opportunities of each site. Of those sites deemed feasible, an indicative development costs for each feasible site was provided.

The options addressed in the appraisal are based on the provision of a 5,000 sqm (GIA) new leisure centre and a 6,133 sqm (GIA) new hospital. It is important to note this is subject to further review and confirmation.

The options appraisal has identified that the Swan Centre appears to be the most feasible site for co-locating the leisure centre and new hospital.

The cost of a co-located development on the Swan Centre is £53.2m. A saving of circa £0.5m over separate developments on the Swan Centre and Infirmary site could be possible.

In order to accommodate the leisure centre and hospital on the Swan Centre, the existing external sport provision will need to be provided on another site, unless the size of the buildings can be reduced further.

The programme for delivery through a hybrid application offers the opportunity to commence the facilities separately, whilst the CCG consultation proceeds in parallel to avoid a significant delay in delivering the new leisure centre. A further option exists in terms of programme delay mitigation could be to examine a refurbishment alternative for the leisure centre.

The extra care / residential option can be added to the cost of the hospital and two options have been examined and are included in Appendix 2, as follows:

- 1) Additional floor to the hospital of circa 800 sqm - £2.4m excluding fees and VAT
- 2) Additional standalone building of circa 800 sqm - £1.7m excluding fees and VAT

With the limited information available it appears the standalone extra care building is more cost effective and the Swan Centre could accommodate the additional building, subject to the final site layout and building form.