Developing Cambridge Pool

Single Stage Business Case

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Document Review

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Purpose

As part of its 10-year 2015–25 Plan, Waipa District Council ("the Council") has approved investment of up to $9.9m, commencing in 2016, to develop and expand the Cambridge Municipal Pool complex[1]. The purpose of this business case is to support and test the Council's decision to invest, and investigate a range of options for both the existing and proposed facilities. The business case identifies an optimal mix of facilities to deliver both the Waipa District Council objectives for the pool, and Value for Money for ratepayers.

This business case follows the Treasury Better Business Case guidance and is organised around the "Five Case Model", as provided in the following sections.

Strategic Case

Strategic Context

1. The Council services a resident population of 46,000 and manages a range of community facilities, including swimming pools. Through providing facility activities, the Council seeks to provide recreational benefits, promote health and safety and improve the social and environmental wellbeing of the Waipa Community.[2]

2. The Council is supported by Sport Waikato, who represent the sporting interests of nearly 420,000 people within the Waikato region in their goals to achieving healthy lifestyles—including being more active through both sport and recreation.

3. The Council's Long Term Plan (LTP) states that the community can expect the Council to "provide affordable public swimming pools that provide opportunities for the community to increase its water safety skills, health and recreational wellbeing".

4. The two pools managed by the Council are the Cambridge Municipal Pool at William Street, Cambridge, and the Livingstone Aquatic Centre at Te Awamutu. The Waipa Community Facilities Trust ("GoWaipa") holds the management contract for both pools, and is responsible for managing bookings, water quality and day-to-day operations.

5. Based on a similar usage demographic and catchment, it is expected that the pool will service a population of 30,000 people, averaging seven visits each year.[3]

6. Since the early 2000's, the Cambridge Pool complex at William Street has been the focus of community consultation and discussion and various proposals for the facility and surrounds have been developed and considered.

7. The existing complex was built in 1971 and comprises two outdoor pools—one 50m heated pool, and a 15m learner/toddler pool. There are changing rooms available and a limited range of BBQs and picnic facilities, with the facility being open to the public from October through to March each year. The 50m pool is currently operating, however the 15m toddlers' pool is closed until further notice.

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[1] Waipa District Council 10-Year Plan 2015–25 ("Long Term Plan)

[2] Waipa District Council 10-Year Plan 2015–25 ("Long Term Plan), page 159.

[3] Source: Sport New Zealand. Usage is based on operational outcomes for Karori Pool in Wellington, which has similar pool components, usage demographic and catchment.

8. The current facility is dated but is in generally good condition—with associated operations and maintenance expenditure in line with an asset of its age. Of note, the existing changing rooms are expected to require attention to address seismic issues.

Previous Option Development

9. In 2014 the Council carried out community consultation on a shortlist of three possible options, all on the existing Municipal pool site at Williamson Street. These were:

    a. Option A – upgrade the existing 50m pool and add a new enclosed 25m pool, learners' pool and associated amenity to provide year-round swimming.

    b. Option B – status quo—retain existing 50m pool and upgrade the filtration and renovate the changing facilities.

    c. Option C – an enhanced new complex including 8 lane 25m pool, teaching pool, leisure and teaching pool, children's pool and spa pool with all associated amenity.

10. A fourth option was subsequently considered by council:

    a. Option D – cover and modify the existing 50m pool into 8 lane 25m pool, programmes pool, teaching pool, junior pool and toddlers pool with new associated amenity.

11. Public feedback overwhelmingly favoured Option A on the basis that it is practical, affordable and provides the community with year-round swimming.

12. In 2014, and as part of the implementation of the Waikato Regional Sports Facilities Plan (WRSFP), the Council commissioned Sport Waikato to carry out a review of Options A–D, as described above, providing a 'fit with regional facilities' perspective.

13. A high level options analysis (with concept and Capex order of magnitude budget) was subsequently carried out by the Council and Beca, based on the above requirements with the preferred option adopted in the WDC Long Term Plan in June 2015.

Waikato Aquatic Facility Landscape

14. A range of aquatic facilities exist in the Waikato region. The WRSFP lists five aquatic facilities within a 30 minute drive of Cambridge. These are summarised at Table 1, below, along with their status, as proposed by the WRSFP.

Table 1: Waikato Aquatic Facilities

Facility	Location	Status	Status Description
Waterworld	Hamilton	Regional	A facility with the ability to host inter-regional and intra-regional competitions and/or services as a regional high performance training hub for one or more aquatic sports codes. Also serves local community sport, recreation and leisure needs.
Gallagher Aquatics Centre	Hamilton	Sub-regional	Facilities with the ability to draw significant numbers of teams/competition from across adjacent TAs boundaries for either competition or training purposes. Also serves local community sport, recreation and leisure needs.
Livingstone Aquatic Centre	Te Awamutu		
Tirau Community Pool	Tirau		
Matamata Sports Centre	Matamata		
Cambridge Municipal Pool	Cambridge	Local	A facility with the ability to serve a local catchment's basic community sporting and recreation needs, this catchment is predominantly deemed to be drawn from within a single authority

15. The Livingstone Aquatic Centre at Te Awamutu is the only Waipa District Council facility with 'Sub-Regional' status and has a 25m lane pool, hydro slide, hydro therapy, learner's pool, toddler's pools, spa and sauna.

16. The existing Cambridge Municipal Pool has 'Local' status under the WRSFP—indicating that it is not expected to satisfy the same community needs as 'sub-regional' counterparts across the Waikato region.

17. In addition, Cambridge has seven other pool facilities (mostly schools) that are all 25m or smaller. These range in their availability for casual community use (generally limited) and services offered, for example, learn to swim and health and wellbeing programmes.

18. Of these the St Peters School has a six lane 25m indoor heated and 25m outdoor heated pools.

Future State

19. The 2015 Sport Waikato report included the status of the current aquatic landscape in the area and gauged key stakeholders' views on the aquatic capital that may be appropriate for Cambridge. The report also provided a view of the expected End User Market, based on a national view of aquatic facilities use.

20. The findings indicate that a chosen investment option needs to satisfy the following user markets (in order of priority and subject to budget and other constraints):

a. **Recreation & Leisure** – a 'destination' and community use maximising number of users, time spent on site and value return for each visit **(60–70% of market size).**

b. **Health & Therapy** – balanced to maximise use, e.g. aging population, learn to swim, health and wellbeing outcomes **(20–30% of market size).**

c. **Competition & Training** – long term opportunities for high performance training and maintaining fitness levels **(10–15% of market size).**

21. The report also notes that successful community aquatics facilities attract users from all three markets, and offer the opportunity to participate in a range of activities.

22. Cambridge's particular population and demographic dynamics also need to be considered. The Waipa District is expected to increase in population by 13% by 2031—specifically seeing an increase in age groups 15-39 (5%) and 65+ (93%). By and large other age groups are expected to decrease. Cambridge also boasts a higher proportion of high performance athletes to general population when compared with similar demographics nationally.

23. Presently, 50% of visitors to the existing aquatic facility at Cambridge are under 18 years of age.[4]

24. Sport Waikato articulates the following principles through the WRSFP, and it is expected that development of a community sporting facility should reflect these:

a. Sustainability

b. Partnerships

c. Whole of Life Modelling

d. Adaptability/Functionality

e. Multi-use/multi-purpose

f. Optimisation of existing assets

g. Return on investment (social and economic)

h. Playing to our strengths

i. Collaboration (working with our neighbours)

25. With regard to Waipa District Council's plans for the Cambridge Municipal Pool the WRSFP specifically proposes that:

a. the 50m pool is maintained for its useful life

b. when the pool reaches its end of life, develop a new standard configuration indoor community pool including lane swimming, fun, spa and learn to swim pools, and consider a hydrotherapy pool

[4] Cambridge Municipal Pool visitor numbers 2013/14, as cited in the 2015 Sport Waikato Report

c. subregional partnerships in the North are investigated (for example, with Hamilton City Council or a high school)

d. triathlon, cycling and rowing's high performance requirements for the new facility are considered.

26. Council objectives for the facility align with the February 2015 report findings—in particular, the need to cater for fun and leisure activities (which are expected to represent the largest market segment[5]). **The Council sees the primary purpose of the facility to provide a fun and leisure destination that is affordable, accessible and durable in terms of meeting growth expectations and not compromising quality of experience**.[6]

27. The desire to provide a "Destination for the Community" is central to what the Council see as the primary purpose for facility. For this land-locked area, the existing outdoor facility is often referred to as "Cambridge's Beach", providing a unique facility and "sense of place" for the Cambridge Community. This view has been supported by public opinion since the early 2000's when feedback indicated that any loss of the existing 50m outdoor pool and surrounds would be considered a significant loss for the community.

28. This investment proposal aligns to both Waipa District Council and Sport Waikato strategy and plans, with the voice of the community subsumed within public consultation associated within each plan, and through this Business Case development process. The following sections provide a case for investing in a mix of facility options that provide the best fit with these strategies, within the bounds of Value for Money and available budget.

The Need for Investment

29. Significant planning and consultation has taken place to develop a solid basis for investment, however given the extended time period over which this earlier work has taken place, the Council has sought to test early assumptions and priorities, with a view to ensuring the case for investment is robust.

30. In addition to the development of this Business Case, the Council engaged Beca to facilitate a workshop with key stakeholders to gain a better understanding of investment drivers and the need to invest in change. This workshop took place in November 2015, and followed the Treasury-recommended Investment Logic Mapping (ILM) process.

31. The stakeholder panel identified and agreed the following key problems that need to be addressed through investing in redevelopment of Cambridge Pool, as well as the benefits expected from this investment. The resulting Investment Logic Map can be found in the Appendix to this Business Case. The identified problems (and their relative weightings) were defined as:

a. Maintenance costs and environmental impact of aging facility are resulting in poor operational continuity and H&S risks to public (40%).

b. Future population growth not accommodated by existing facility, leading to increased pressure on existing asset (30%).

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[5] Based on segmentation for a typical aquatic facility, 2015 Sport Waikato Report for WDC, p11.

[6] Manager Community Facilities, Waipa District Council, December 2015.

c. Existing facility does not meet community needs, resulting in reduced facility use and inadequate service to users (20%).

d. Future demographic changes not accommodated by existing facility, leading to reduced participation and facility utilisation (10%).

32. The benefits expected from investing in redevelopment of the Cambridge Pool, and their relative weightings, are as follows:

    a. Facility is operationally and commercially viable (35%)

    b. Facility meets current and future user needs and expectations (40%)

    c. Improved community health and well-being (20%)

    d. Facility is fit-for purpose and well utilised (5%)

33. The problems and benefits identified through the ILM process provide a view of where investment priorities should reside, however it is worth noting that the ILM output is silent on timing. Timing and implementation is addressed through this Business Case and associated funding confirmation.

34. Note that for the benefit of the facility being operationally and commercially viable, it is acknowledged that community aquatic facilities typically require ongoing subsidy, but that this needs to be to an acceptable level.

Stakeholder expectations and support

35. Analysis of the current and possible future aquatic provision needs to consider the local community from a recreational use perspective. There is a great deal of community interest and support for redevelopment of the facility, as gauged through the Council's 2015 Long Term Planning consultation process.

36. A level of expectation is likely to exist within the community about what the potential solution will provide. Moves to demolish or significantly change the nature of the existing 50m outdoor pool (in terms of configuration or covering the pool) are likely to be met with resistance, given the facility's standing as the "Cambridge Beach". This view has been supported by public opinion since the early 2000's when feedback indicated that any loss of the existing 50m outdoor pool and surrounds would be considered a significant loss for the community.

37. In addition, the consultation carried out as part of the Council's Long Term Plan has indicated a preferred approach, and investment in development proposals that shift away from this approach may not be well received. The following extract from the LTP sets out the proposed approach (noting that this was developed prior to this business case process): *"Following feedback, Council has decided to build a new pool in Cambridge. Construction will begin in late 2016*[7] *and the pool is expected to open in 2018. The project involves retaining the outdoor 50m pool (and upgrading the current plant and changing facilities) as well as building a new 25m indoor pool and a learner's pool which will provide year-round swimming. The 25m pool will either be 8-lane or 10-*

[7] At the time of Business Case release, construction is expected to commence during the 2016/17 Financial Year.

lane, depending on the amount of community fundraising that is secured. The preferred option is a 10-lane pool which will allow for many more activities to take place in the pool. Council has confirmed it will contribute $7.8 million towards the project. $2.1 million in community fundraising is required for the 10-lane option and $1.1 million in fundraising is required for the 8-lane option."[8]

38. In December 2015, and as part of this business case process, Sport Waikato hosted members of the Cambridge Older Population to understand their views about development of Cambridge Pool. A summary of discussion is provided below.

    a. The Older population are in support of a facility that will improve access for older and disabled visitors—both in terms of the pools and associated facilities, such as parking.

    b. Community versus club access problematic at present, with lack of access to lanes considered restricted.

    c. The facility should be open to families/ratepayers all day, as it is considered a place for families to have picnics, take part in water activities and outdoor recreation. Improving the quality of the grounds and associated facilities (tables, seating, changing rooms) is important. Providing more activities for families was also suggested, noting that consideration should be given to placing facilities so parents with multiple children would not be separated from them.

39. Analysis of the current and possible future aquatic provision needs to consider the local schools as current key service providers. A summary of the main points following discussions with some of the schools follows. This consultation was undertaken as part of the Sport Waikato Report for the Council in 2014:

    a. All were in favour of upgrading the existing 50m pool and adding a new enclosed 25m pool and learners' pool (previously defined as "Option A"), even where they have their own aquatic facilities.

    b. Outside of School Swimming Sports days, local primary schools either provide, or aspire to provide their own facilities for students.

    c. Loss of class time travelling to and from district aquatic facilities and cost of external providers were the common reasons why most schools want to have their own core aquatic facilities/lessons in-house.

40. Analysis of the high performance market is important in considering future aquatic provision. Consultation with Swimming Waikato was carried out in 2014 (as part of the Sport Waikato report to the Council) and in December 2015 (as part of this business case) to provide their view and support for the proposed redevelopment. A summary of the main points following discussions with some of the key stakeholders are:

    a. Swimming Waikato and Swimming New Zealand remain committed to retention of the 50m outdoor pool in Cambridge. As a long course training facility it currently offers what is needed, however a focus on repairs and maintenance is expected going forward.

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[8] Waipa District Council Long Term Plan 2015–25, p6.

b. Swimming Waikato's regional squad trains at the pool for 18 sessions during the summer season. They note that an extension to the opening times would see additional demand for the facility for an extended season, supporting preparation for National Age Group championships in late April.

c. Swimming New Zealand recommends performance and development training as a focus of the proposed facility, with an emphasis on development camps. This requires either an indoor facility, or an outdoor one—but with water temperature 26-28 °C year round.

d. Swimming New Zealand aspire to formally recognise and develop Regional High Performance training centres in the longer term. They have noted that Cambridge and the 50 m outdoor pool are well positioned to bid to become one of these centres should this strategy be formalised.

e. Waikato Swimming, Triathlon New Zealand, Cambridge Swimming and Masers Swimming Clubs, St Peter's and Te Awamutu Swim Clubs and Cycling NZ all view the existing 50m pool as important for competitive swim training.

f. Importantly the 50m pool does not need to be at competition standard as it is primarily used as a training facility. Triathlon New Zealand view the retention and renovation of the Cambridge 50m pool as critical to the make-up of their National High Performance Centre (based in Cambridge).

g. Triathlon New Zealand indicated that from their perspective, water quality of the 50m pool, maximising the length of the opening season (e.g. temporary winter covering), and improvement to changing and other amenities should be priority.

h. St Peter's high performance National Sport Organisations (NSOs) also support the retention of the 50m outdoor pool both for training (Triathlon) and recovery (other sports), with squads from outside the region utilising the 50m pool at Cambridge, as well as the 25m pool and accommodation at St Peters to host training camps.

i. Cambridge Swimming and Masters Swimming clubs have a preference for a FINA compliant pool and ideally 10 lanes over 8 lanes in the main lap pool.

41. In terms of the standard of competition pool required for Cambridge, Swimming New Zealand and Swimming Waikato consider that providing a Federation Internationale de Natation (FINA) compliant 50m pool should not be a priority, given its primary use as training pool. This said, initial survey results for the 50m pool indicate that achieving FINA compliance for length (only) may be achievable for a minimal cost—however a more comprehensive lane-by-lane assessment would be required to confirm this.

42. Varying degrees of FINA compliance should be considered. For the proposed 25m indoor pool, in terms of providing a *training* facility, it is expected that length tolerances required by FINA can be accommodated at minimal cost (largely requiring the engagement of a surveyor at critical stages of construction). Meeting FINA requirements for *length* would provide users with an enhanced training experience at little cost. Note that these costs have not been included in the economic analysis and would need to be considered separately.

43. In terms of comprehensively meeting FINA requirements (that is, for length and depth), although this may attract competitions to the area, this would require significant additional capex investment. This is in part due to minimum requirement being a 25m x 25m, 10 lane pool, but also due to the increased depth requirements. As well as the increased capex involved, the increased depth requirements required by FINA can limit the ability of community facilities to provide for the majority of users.

44. Further, appropriate spectator capacity and technical equipment would also be required to fully satisfy competition requirements, which would attract additional capex and design cost. Again, these have not been included in the cost analysis in this business case.

45. A 25m x 20m (8 lane) pool would provide an appropriate facility for local and potentially regional swimming competition. Swimming New Zealand requires a minimum of eight lanes for most short-course (25m) swim events.

46. It should be noted that under the WRSFP, Cambridge Pool is proposed a "Local" status, and is therefore not expected to draw teams/competitions from outside of the District—with other facilities with Regional and sub-regional status providing this capability (refer Table 1).

47. For clarity, no allowance for achieving FINA requirements for length or depth have been considered in the costed options presented in the business case.

The Case for Change

Based on the findings of the Problem Definition (ILM) workshop, a set of three Investment Objectives were developed for this investment proposal. These were agreed with stakeholders at a facilitated workshop on 12/1/2016. The case for change is summarised below for each of these investment objectives.

Investment Objective One	**Operational viability – Facility will meet relevant building and environmental standards**
Existing Arrangements	*The existing, aging, 50m facility does not meet current standards in terms of water quality of environmental discharge, and attracts maintenance costs appropriate for its age. The existing 15m toddlers' pool has been closed until further notice due to poor water quality and overall age of the pool. These arrangements are compromising the quality of experience for users, with water and overall facility quality leading to poor operational continuity and potentially Health and Safety risks to the public.*
Business Needs	*The existing asset requires investment to upgrade the facility to the required national operating standards.*
Potential Scope	*To achieve this objective, investment will be required to upgrade the existing 50m and (potentially) 15m pools. The extent of upgrades may, potentially, include:* • *Providing new pool water filtration and reticulation systems for the 50m pool and making good existing plantroom* • *Applying new paving and improvements to existing pool surrounds* • *Providing replacement changing rooms* • *Re-commissioning or decommissioning the existing 15m toddlers pool* *As a minimum, upgrading the 50m pool filtration and existing plantroom will be*

	required to meet this investment objective, with remaining scope options also satisfying other investment objectives, as below. *It is assumed that any new development will satisfy current building and environmental standards.*
Potential Benefits	*The benefits expected are:* • *Provision of an operationally and commercially viable facility* • *Meeting current and future user needs and expectations* • *Improved community health and well being* *The Cambridge and broader Waipa communities will ultimately benefit from this investment.*
Potential Risks	• *Upgrade does not meet the needs and aspirations of the community. In particular, the demolition of buildings will see existing change rooms and swim club rooms lost. There is an expectation these will be replaced, however budget and timing may not allow this in initial stages of development.* • *Although the condition of the existing facility is reasonably well understood, there are risks inherent to upgrading older facilities—additional repairs and costs may be required beyond that anticipated and budgeted for.*
Constraints and Dependencies	*Budget availability may require staging of any chosen solution; with the annual budgeting round, and ability for the community to fundraise potentially constraining the extent and of investment.*

Investment Objective Two	**Increased participation in aquatic activities by the Waipa community**
Existing Arrangements	*The Waipa community engages in aquatic activities presently, however the nature of the existing facility (in terms of it only being available for the summer season and lack of ability to provide a broad range of aquatic activities for user) is limiting participation in aquatic activities within the Waipa community.*
Business Needs	*There is currently no one facility in Cambridge providing sufficient community-wide access and range of functionality that will increase participation in aquatic activities.*
Potential Scope	*Providing a facility that enables year-long use and that can accommodate a range of aquatic activities will require construction of an indoor facility. As set out in earlier sections, the expectation is that the existing outdoor 50m pool will be retained and upgraded. One scope option is to cover the existing 50m pool. Upgrading the existing facility, on its own, is unlikely to meet users' needs and expectations—a new indoor facility will be required to fully meet this investment objective. A range of options for an indoor facility exist, and these include providing:* • *an indoor 25m lane pool (6,8 or 10 lanes)* • *a Programmes/Learn to Swim pool, integrated with a toddlers pool* • *a dedicated Programmes/Learn to Swim pool (in addition to a toddlers/junior pool).* *Supplementary options, such as outdoor spray park, spa and sauna facility, hydrotherapy, gym, café, creche would likely contribute to realising this investment objective, however not without investment in a significant body of*

	water in the form of a 25m lane pool.
Potential Benefits	*Three main benefits will be realised in meeting this investment objective:* • *Current and future user needs and expectations are met* • *Improved community health and well being* • *Cambridge pool is fit-for-purpose and well-utilised.* *Again, the Cambridge and broader Waipa communities will be the main beneficiaries of this investment.*
Potential Risks	• *Community expectations for access, programmes and services not met* • *Anticipated operating return on investment (level of subsidy) is not realised*
Constraints and Dependencies	*Budget availability may require staging of any chosen solution; with the annual budgeting round, and ability for the community to fundraise potentially constraining the extent and of investment.*

Investment Objective Three	**Facility meets community needs and expectations when completed**
Existing Arrangements	*A great deal of community expectation exists about development of the Cambridge pool and site. Through the LTP process, Council has indicated that either an 8 lane or 10 lane pool will be delivered (with priority to a 10 lane option should funding permit). A Learn to Swim or Programmes pool has also been indicated through various consultation/option analysis processes. In addition, there is an expectation that the existing facility (pool and change rooms) will be upgraded. The existing changerooms are aging and may be seismically vulnerable. The existing facility provides for a range of aquatic uses, however the nature of the facility (it is outdoor) prevents it from meeting the breadth of community expectations and needs year-around. There is only one operational body of water within the existing facility, and although this is a relatively large water area, it does not provide for the full range of aquatic activities sufficient for a community of this size and demographic. The pool is considered to be "Cambridge's Beach" although the existing facilities and grounds condition do not enhance this.*
Business Needs	*The need to invest is well known within the community, however there may be a gap in meeting those expectations communicated through the Council's LTP process in light of the budget constraints for this investment. Investment in a main lap pool and a Learn to Swim Programmes pool is likely to meet the expectations of the community, if the existing 50m pool is retained and upgraded (or at the very least, there is a definitive plan to upgrade).*
Potential Scope	*The scope of investment required is:* • *Construction of an indoor 25m lane pool (8 or 10 lanes)* • *Construction of a Programmes/Learn to Swim pool, integrated with a toddlers pool* • *Retention and upgrade of existing 50m facility and amenities*
Potential Benefits	*Three main benefits will be realised in meeting this investment objective:* • *Current and future user needs and expectations are met* • *Improved community health and well being*

	Again, the Cambridge and broader Waipa communities will be the main beneficiaries of this investment.
Potential Risks	• *Upgrade does not meet the needs and aspirations of the community* • *Affordable options (specifically investment in an 8, rather than a 10 lane lap pool) may not meet community expectations.* • *Affordable options may not provide the capacity or flexibility address future population growth changes.*
Constraints and Dependencies	*Budget availability may require staging of any chosen solution; with the annual budgeting round, and ability for the community to fundraise potentially constraining the extent and of investment.*

Economic Case

This section provides a description of the main, viable options (or choices) for the investment. Each option is assessed against the criteria above, and a shortlist of options is selected for more detailed economic assessment.

Critical Success Factors

In addition to the three identified investment objectives, the following assessment criteria were used for screening the options. These Critical Success Factors (CSFs) set out the attributes considered essential to the successful delivery of the project:

48. **CSF 1: Strategic fit and organisation needs:** How well the option meets the agreed investment objectives, related business needs and requirements, and fits with other strategies, programmes and projects.

    a. Facility enables flexible use

    b. Year-round user access is accommodated

    c. Facility accommodates increases in population growth

    d. Facility accommodates changes in population demographics

    e. Sustainable – operational costs are supported through pool revenue (primary and secondary spend activities)

    f. Recreation and Leisure activities accommodated

    g. Health and Therapy activities accommodated

    h. Learn to swim activities accommodated

    i. Competition and training activities accommodated

    j. Future facility and site expansion is supported/ not constrained

CSF 2: Potential value for money: How well the option optimises value for money, considering the optimal mix of potential benefits, costs and risks

CSF 3: Potential affordability: How well the option can be met from likely available funding, and matches other funding constraints.

Identify Short-listed Options

49. The long list options have been considered against the following dimensions of choice:

    a. Scope

    b. Implementation

    c. Funding

50. Within the potential scope of this proposal, long-list options for providing the required Scale, Scope (with location implicit) were identified. These were derived from a combination of reviewing previously defined options, potential solutions identified during the ILM process, and discussions with Subject Matter Experts both at a National and Local level.

51. The focus is on the Scale and Scope dimension of choice, with the remaining dimensions either not applicable or already well understood and decided through earlier processes.

52. For clarity, Long List Options are silent on implementation timing.

53. The long list options for Scope are defined at Table 2, below, and are broadly grouped in terms of provision of a main lap swimming pool, and supplementary (or “Add-on”) options:

Table 2: Long List Scope Option Definition

Reference		Title	Description
SCO1		Do Nothing	No investment in existing facility or new development
SCO2	Main Lap Pool (s)	Upgrade existing 50m pool to current standards	This involves several activities, which can be performed separately, as priorities and budget dictate. • **SCO2A** - Provide new filtration and circulation for the 50m pool and make good existing plantroom • **SCO2B** - Apply new paving and improvements to existing pool surrounds • **SCO2C** – Construction of new changing rooms • **SCO2D –** Demolition of existing buildings • **SCO2E** - Re-commission 15m toddlers pool
SCO3		Cover existing 50m pool	Construction of a building over existing building and associated amenities. This includes re-configuration of the 50m pool, to provide a 25m 7 lane pool and small, adjacent programmes, teaching, junior and toddler pools.
SCO4		Indoor, 25 m x 15m lap swimming pool, 6 Lanes	Construction of an indoor 6 Lane (25 x 15m) swimming pool
SCO5		Indoor, 25 m x 20m lap swimming and competition pool, 8 Lanes	Construction of an indoor 8 Lane (25 x 20m) swimming and competition pool
SCO6		Indoor, 25 m x 25m lap swimming and competition pool, 10 Lanes	Construction of an indoor 10 Lane (25 x 25m) swimming and competition pool
SCO7	"Supplementary/Add-on" facilities	Integrated teaching, programme and toddler's pool	Construction of a body of water, configured to provide Programmes, Junior/Play and Leisure/ and toddlers' pools (integrated and separate). This would be situated adjacent to and within the main lap pool hall.
SCO8		Separate Programme/teaching pool	Construction of a single body or water dedicated only to aquatic programmes including learn to swim. The expectation is that this pool would be constructed in addition to the SCO7, above. This would be situated in a different area of the complex to the main lap pool (and SCO7).
SCO9		Outdoor Spray Park	Development of a zero depth area adjacent to the indoor recreation and leisure water (SC07) to provide an interactive outdoor water paly experience.
SCO10		Spa pool and Sauna	Construction of Spa and Sauna within new indoor complex
SCO11		Separate Hydrotherapy Pool	Construction of a new (likely 10m x10m) indoor Hydrotherapy pool within the new complex
SCO 12		Gym (Fitness Centre)	Construction of a gym within the new complex
SCO 13		Café/Crèche	Construction of a Café and/or Crèche within the new complex

54. Long list options were analysed by the Business Case writing team and subsequently reviewed and agreed during a facilitated workshop with the key stakeholders on 12/1/2016. The analysis was performed using the following approach:

    a. Scope options were discussed and agreed as being understood.

    b. Each option was assessed by the group as fully meeting (yes – green), partially meeting (partial – orange) or not meeting (no – red) each investment objective and Critical Success Factor. In some cases a mix of each category was appropriate ('Yes or Partial', for example').

55. For this group review, options were presented as shown at Table 3. There are three exceptions to this:

a. For the Main Pool options, it had been assumed that SCO2 (Upgrading the existing pool to current standards) would feature as part of any main pool investment, and with the initial stage of an investment (if staging were required). Subsequently, on clarification of available council budget and timing, there is more scope to defer SCO2 to latter stages of any investment. For this reason, SCO2 appears only as a standalone option in Tables 3 - 5, rather than built into each Main Pool option, as was presented at the workshop. This has no effect on the analysis undertaken or resulting shortlist. Ultimately, "de-coupling" SCO2 from other options provides the Council with more flexibility to seize current funding opportunities, providing more confidence of budget for investment in the new facility.

b. Council has expressed the need for the new facility to be able to be expanded or upgraded to ensure that it is fit-for-purpose over the life of the asset.[9] This had not been explicitly included as a Critical Success Factor, although it became apparent during the assessment workshop that this was an important differentiator. For this reason, an additional CSF is included in the table below, reflecting discussion at the workshop.

56. It had previously been understood that the available budget was $10m, and this was presented at the workshop. Subsequently this was confirmed to be $9.9m (comprising $7.8m through the Council's LTP, and the balance required from external fundraising). This change has made no material difference to the long list options assessment performed at the workshop, and the available budget amount has been corrected in this Business Case.

57. Typically, options that scored a "No" (Red) within the long list assessment would be discarded, however there were some appropriate exceptions identified. These were:

    a. SCO9 - Outdoor spray park—at the Options Assessment workshop, this was identified as not supporting the CSF that related to year-long access to the aquatic facility. It was felt though that the ability of this option to enhance Council vision for the facility (namely as a fun and leisure destination, and supporting the concept of "Cambridge's Beach") meant that it should be retained and brought forward to the short list.

    b. Several options fully or partially met the Investment Objectives, however did not meet *CSF 3: Potential affordability*. Although indicative costing information was available at the options assessment workshop, detailed costs were not, and relevant options (SCO8, SCO11, SCO12, SCO13) were brought forward as "Possible" until costs were confirmed.

    c. SCO2—upgrading the existing 50m facility did not meet a number of CSFs, however this was considered acceptable due to it being an existing facility and the likely level of investment being relatively low.

58. Long-list options that were not discarded were carried forward to the short-list as either "preferred" or "possible".

[9] Cambridge Pool – Council Deliberations, 8 May 2015

Table 3: Long List Option Assessment Table

Ref.	Dimension of Choice:	Scope options (Main Pool)						Scope ("add-ons")						
		SCO1	**SCO2**[10]	**SCO3**	**SCO4**	**SCO5**	**SCO6**	**SCO7**	**SCO8**	**SCO9**	**SCO10**	**SCO11**	**SCO12**	**SCO13**
	Description of Option:	Do nothing	**Upgrade existing** 50m pool to current standards	**Cover existing** 50m pool	New **6 Lane** 25m indoor lap pool	New **8 Lane** 25m indoor lap pool	New **10 Lane** 25m indoor lap pool	**Integrated teaching** and toddlers pool	**Separate teaching** and toddlers pool (in addition to SCO7)	**Outdoor Spray Park**	**Spa/ Sauna** facility	Separate **Hydrotherapy** pool	Gym	Café/ Creche/
	Investment Objectives													
1	Operational viability – Facility will meet relevant building and environmental standards	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Increased participation in aquatic activities by the Waipa community	No	No	Partial	Yes	Yes	Yes	Yes	Yes	Yes	Partial or Yes	Partial or Yes	Partial or N/A	Partial or N/A
3	Facility meets community needs and expectations when completed	No	No	No	Partial	Yes	Yes	Yes	Yes	Yes	Partial or Yes	Partial or Yes	Partial or N/A	Partial or N/A
	Critical Success Factors													
	CSF 1: Strategic fit and organisation needs													
4	Facility enables flexible use	No	No	Partial	Partial	Yes	Yes	Yes	Yes	Yes	Partial or Yes	Partial or Yes	Partial or Yes	Partial or Yes
5	Year-round user access is accommodated	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
6	Facility accommodates increases in population growth	No	No	No	Partial or No	Yes	Yes	Partial	Yes	Yes	N/A	Yes	N/A	N/A
7	Facility accommodates changes in population demographics	No	No	Yes or Partial	Yes or Partial	Yes	Yes	Partial	Partial	Partial	Yes	Yes	N/A	N/A
8	Sustainable – operational costs are supported through pool revenue (secondary spend activities)	No	No	No	Partial	Partial	Partial	Partial or Yes	Yes	Partial	Partial	Partial	Yes	Yes
9	Recreation and Leisure activities accommodated	No	Partial	Partial	Partial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
10	Health and Therapy activities accommodated	No	Partial	Partial	Partial	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	N/A
11	Learn to swim activities accommodated	No	Partial	Partial	Partial	Partial	Partial	Partial	Partial	N/A	N/A	Partial	N/A	N/A
12	Competition and training activities accommodated	Partial	Partial	Partial	Partial	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13	Future facility and site expansion is supported/ not constrained	Yes	Yes	Yes	Yes	Yes	Partial	Yes	Yes	Yes	Yes	Yes	Yes	Yes
14	***CSF 2: Potential value for money***	No	No	No	Partial	Yes	Partial	Yes	Yes	Yes	Yes	Partial	Partial	Partial
15	***CSF 3: Potential affordability***	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Partial	Partial or Yes	No	No	No
	SUMMARY													
	Advantages and disadvantages:	**Refer Table 4**												
	Overall Assessment:	**Discard**	**Preferred**	**Discard**	**Possible**	**Preferred**	**Possible**	**Preferred**	**Possible**	**Preferred**	**Preferred**	**Possible**	**Possible**	**Possible**
	Status Quo option	✓												
	Do minimum option					✓		✓						
	Preferred option		✓			✓		✓			✓			
	Preferred Plus		✓			✓		✓		✓	✓			

[10] Note that several different components of SCO2 were identified subsequent to the Options Assessment Workshop. Please refer Table 2 for specific aspects covered in each short list option.

Table 4: Long List Option Advantages/Disadvantages Summary

Reference	Title	Advantages	Disadvantages	Assessment
SCO1	**Do Nothing**	Does not involve significant capital or operating expenditure	• Will not meet stakeholder expectations • Will not meet Council investment objectives	Discard
SCO2	**Upgrade existing 50m pool to current standards**	• Involves minimum capital and operating expenditure. • Will address short term maintenance issues with existing facility. • Compliments the indoor pool development • Provides long-term continuity of service	• On its own, will not meet stakeholder expectations; will not meet Council investment objectives. • Diverts funding from new facility development	Preferred
SCO3	**Cover existing 50m pool**	Will provide year-round access to exiting aquatic facility.	• Will not meet stakeholder expectations as 50m configuration not retained, and loss of “Cambridge Beach” feature. • Will not meet Council investment objectives • Poor Value for Money ($8.1m)—no additional facilities delivered within this budget. • Reconfiguration of 50m pool reduces usability for some segments.	Discard
SCO4	**Indoor, 25 m x 15m lap swimming pool, 6 Lanes**	Budget compliant—will allow construction of integrated teaching toddlers pool within minimum budget. Supports Health and Wellness outcomes	• Will not meet stakeholder expectations • Will not meet Council investment objectives Water space (depth/temperature) will not meet community needs or expectations. • Very poor flexibility of use when compared with 8 or 10 lane options • Does not meet competition requirements (minimum 8 Lane).	Possible
SCO5	**Indoor, 25 m x 20m lap swimming and competition pool, 8 Lanes**	• Enables best value for money of all lane pool options; can be met within a realistic budget • Allows a greater variety of water space/depth and temperature—allowing the facility to appeal to the widest cross section of the community. • Footprint allows a more generous street frontage/parking/dropoff area when compared with the 10 lane option • Less risk versus 10 Lane option—best-fit strategic add-ons achievable with minimal external funding. • Best enables staged approach for site and facility expansion	• Provides less capacity and flexibility than larger (10 lane) pool • Does not allow 25m lane swimming across the pool	Preferred
SCO6	**Indoor, 25 m x 25m lap swimming and competition pool, 10 Lanes**	• Most flexible main water space —allows 25m lane swimming across the pool and more concurrent activities than an 8 lane pool, although this is significantly less critical given existence of external 50m pool.	• Enlarged floor plate compromises future LTS/Programmes pool (limited to 8 x 10m) • No separate dry foot access to change rooms • Requires revised structural design and documentation	Possible
SCO7	**Integrated teaching, programme and toddler’s pool**	• Enhances Council vision of a “fun and leisure destination” focused facility as allows additional external funding to deliver scope options that deliver “fun and leisure” vision. • Provides adequate capacity/functionality for current needs.	• Sub-optimal arrangement for Programmes (for example Learn to Swim) due to proximity to Junior/Toddlers pools, although LTS and Programmes use could be sessionalised to limit distraction from other pool users).	Preferred
SCO8	**Separate Programme/teaching pool**	• Can be easily staged (budget permitting), allowing priority for initial stage to focus on fun and leisure destination • Provides additional capacity for future population growth (assuming SCO7 is also constructed). • Provides dedicated facility for Programmes and teaching • Could be operated via external service provider, i.e. partnering with private sector.	• Unlikely to be affordable in initial development stage without partnership from private sector. • More information needed as to demand and opportunity for external service provider involvement	Possible
SCO9	**Outdoor Spray Park**	• Directly enhances Council vision of a “fun and leisure destination” focused facility. • Compliments the indoor pool development • Maximises the ability to respond to the needs of children and families • Takes advantage of the outdoor location and enhances the idea of the site as the beach for Cambridge. • Relatively inexpensive, and good Value for Money • Minimal operating cost, limited supervision requirements form lifeguards as zero depth. • Ability to use as a dry play area during winter months.	Would divert investment from indoor facility options.	Preferred
SCO10	**Spa pool and Sauna**	• Enhances Council vision of a “fun and leisure destination” focused facility • Support provision of Health and Therapy facilities • Opportunity for external/sponsorship funding • Opportunity for positive revenue stream, separate from main pool revenue • Relatively inexpensive option	Integral to main lap pool complex – not easily staged, and would need to be implemented in initial stage. This would divert investment from scope add-ons with better fit with Council Vision.	Preferred
SCO11	**Separate Hydrotherapy Pool**	• Provides a dedicated Health and Therapy facility • Opportunity for revenue stream via external providers (although more information needed) . • Has potential to be a combined LTS and Hydrotherapy Pool, if sessionalised as pool temperature requirements are similar and depth can be managed by the inclusion of platforms for LTS use.	• On its own, will not meet stakeholder expectations or Council investment objectives. • Likely to be unaffordable in initial stages of development. • Likely to enhance experience offering as part of a staged development. • More information needed as to demand and opportunity for external service provider involvement	Possible
SCO 12	**Gym**	• Support provision of Health and Therapy facilities • Could be operated via external service provider, i.e. partnering with private sector.	More information needed as to demand and opportunity for external service provider involvement	Possible
SCO 13	**Café/Creche**	• Could be operated via external service provider, i.e. partnering with private sector.	More information needed as to demand and opportunity for external service provider involvement	Possible

59. The remaining dimensions of choice are discussed below:

60. **Implementation**—for this investment, options are either inclusive or staged implementation, and this will be dependent on the level of external fundraising the Council deem to be affordable and realistic to support this investment. The ability to expand the site/facility is a priority for the Council, and the Preferred and other short list options enable relatively easy staging, as budget dictates. Further, there are a number of scope options that fit well with Council priorities, however do not feature in the "Preferred" or "Preferred Plus" options provided below, due to what are considered by Council to be unrealistic fundraising targets for initial stages of development.

61. **Funding**—funding arrangements for the proposed investment have been advised as follows (with short list options largely reflecting the need to meet these funding arrangements):

Funding Source	Funding Amount ($m)
Council (LTP 2015-25))	$7.8
Provisional funding confirmed	$0.4
Additional fundraising sought	$1.7
Total	$9.9

The Short List

62. The shortlist was developed by initially considering those options deemed to be possible, or preferred from the Long List Option assessment (that is, did an option *meet* the Investment Objectives and Critical Success Factors). From this list of Preferred or Possible options, a shortlist was produced by considering:

    a. Which options provide *the best fit with* Investment Objectives and Critical Success Factors?

    b. Given the available budget, which options would provide the greatest scope for the *total investment* to meet the Investment Objectives and Critical Success Factors?

    c. Which options provide the best Value-for-Money?

    d. Which option mix is realistically affordable?

    e. Of the above, which options would it make sense to implement in initial investment stages (for example, add-on options that would sit within the main pool complex and should therefore be prioritised from a construction perspective)?

63. On the basis of the initial assessment of the long-list options, the following short-listed options were selected for further analysis:

- Option one: status quo or do nothing (retained as a baseline comparator)
- Option two ('do minimum')
    - *SCO5 – 8 Lane lap pool and*
    - *SCO7 – Integrated teaching/toddler pool*
- Option three ('Preferred Minus'):
    - *SCO2B – upgrade existing pool surrounds*
    - *SCO2D – existing building demolition*
    - *SCO5 – 8 Lane lap pool*
    - *SCO7 – Integrated teaching/toddler pool*
    - *SCO10 – Spa and Sauna*
- Option four: ('Preferred')
    - *SCO2B – upgrade existing pool surrounds*
    - *SCO2D – existing building demolition*
    - *SCO5 – 8 Lane lap pool*
    - *SCO7 – Integrated teaching/toddler pool*
    - *SCO9 – Outdoor spray park*
    - *SCO10 – Spa and Sauna*

64. To illustrate what the optimal solution would look like, a fifth option was also identified. This was not included in the short list analysis due to it requiring what is considered to be an unrealistic level of external fundraising, at least at this initial stage of investment. It was however assessed that this fifth option would best meet the investment objectives and provide the most attractive mix of facilities. This option would comprehensively address the problems, and deliver the benefits identified for this investment, and for these reasons has been included below, and at Table 5, for information.

- Option five ('Stretch'). This option would cost $10.45m—requiring an additional $2.25m in external fundraising. With the $0.4m in external funding already secured, this would bring the total external/fundraising component to $2.65m for this option. The fifth option comprised the following:
    - *SCO2A – 50m filtration/plantroom*
    - *SCO2B – existing pool surrounds*
    - *SCO2C – new changing rooms*

- *SCO2D – existing building demolition*
- *SCO5 – 8 Lane lap pool*
- *SCO7 – Integrated teaching/toddler pool*
- *SCO9 – Outdoor spray park*
- *SCO10 – Spa and Sauna*

65. Council consulted on a 10 lane option for the pool through the LTP process which is detailed in SC06. The 10 lane option differs from the 8 lane option as outlined in Table 3 as it received a 'partial' assessment in relation to the ability to future proof the facility due to site constraints (Item 13) and Potential Value for money (Item 14), whereas the 8 lane assessment for these items was "yes". This resulted in the 8 lane option being deemed "preferred" and the 10 lane option deemed "possible" at the Long List Assessment.

66. If Council sought to expand the site into the adjacent reserve area, then the site constraint issue would no longer be applicable. If this is the case, for the 10 lane option to be included within the Short List option mix it would also need to provide value for money and align with the investment objectives around recreation and leisure activities. In addition, to consider the 10 lane option within the Short List mix it would need to be deemed affordable. For this to occur, Council would need to provide for an increased level of funding such that the more expensive 10 lane option does not compromise, in particular, the operational certainty of the 50m pool facility, outdoor leisure experience and/or older adult access to warmer water. If these criteria are met, then a 10 lane option could be considered within the mix of facilities below (Option Six):

- Option Six (10 lane). This option would cost $10.7m. Council will be required to re-consider their funding approach accordingly. This option as a minimum should include the following:
  - *SCO2A – 50m filtration/plantroom*
  - *SCO2B – existing pool surrounds*
  - *SCO6 – 10 Lane lap pool*
  - *SCO7 – Integrated teaching/toddler pool*
  - *SC09 – Outdoor spray park*
  - *SC010 – Spa and sauna*

67. Future stages should then align with the Masterplan with early funding provision for demolishing existing buildings, and replacing with new changing rooms and meeting facilities. Funding for these works identified in the Master Plan should be provided for in future Long Term Plans (preferably sooner rather than later).

68. It should be noted however that, the investment objectives would best be met by providing the new changing rooms at the same time as the rest of the functions and activities listed under Option Six. This can be achieved within the Option Six budget by progressing with the 8 lane option.

The Preferred Option

The identified short list options are presented in Table 5 below.

Table 5: The Short List – Capital Costs

Capital Costs[11]	Option 1: Do Nothing	Option 2: Do Minimum	Option 3: Preferred Minus	Option 4: Preferred	Option 5: Stretch	Option 6: 10 Lane Pool
Existing facility	Nil	$0.55m - SCO2A – 50m filtration/plantroom	$0.10m - SCO2B – existing pool surrounds $0.05m - SCO2D – existing building demolition $0.55m - SCO2A – 50m filtration/plantroom	$0.10m - SCO2B – existing pool surrounds $0.05m - SCO2D – existing building demolition $0.55m - SCO2A – 50m filtration/plantroom	$0.55m - SCO2A – 50m filtration/plantroom $0.10m - SCO2B – existing pool surrounds $0.55m - SCO2C – new changing rooms $0.05m - SCO2D – existing building demolition	$0.55m - SCO2A – 50m filtration/plantroom $0.10m - SCO2B – existing pool surrounds
New facility	Nil	$7.1m - SCO5– 8 Lane lap pool $1.3m - SCO7 – Integrated teaching/toddler pool	$7.1m - SCO5 – 8 Lane lap pool $1.3m - SCO7 – Integrated teaching/toddler pool $0.3m - SCO10 – Spa and Sauna	$7.1m - SCO5 – 8 Lane lap pool $1.3m - SCO7 – Integrated teaching/toddler pool $0.5m - SCO9 – Outdoor spray park $0.3m - SCO10 – Spa and Sauna	$7.1m - SCO5 – 8 Lane lap pool $1.3m - SCO7 – Integrated teaching/toddler pool $0.5m - SCO9 – Outdoor spray park $0.3m - SCO10 – Spa and Sauna	$7.95m – SCO6 – 10 Lane lap pool $1.3m - SCO7 – Integrated teaching/toddler pool $0.5m - SCO9 – Outdoor spray park $0.3m - SCO10 – Spa and Sauna
Total	Nil	**$8.95m**	**$9.4m**	**$9.9m**	**$10.45m**	**$10.7m**
Funding arrangements		**$7.8m** LTP Budget **$0.4m** Provisional fundraising confirmed **$0.75m** Fundraising required	**$7.8m** LTP Budget **$0.4m** Provisional fundraising confirmed **$1.20m** Fundraising required	**$7.8m** LTP Budget **$0.4m** Provisional fundraising confirmed **$1.70m** Fundraising required	**$7.8m** LTP Budget **$0.4m** Provisional fundraising confirmed **$2.25m** Fundraising required	**$7.8m** LTP Budget **$0.4m** Provisional fundraising confirmed **$2.5m** Fundraising required

[11] These are Preliminary Order of Costs and include full professional consultancy services, including design and project management. Excluded from these costs are: internal Council costs; Legal, financial, fundraising fees/costs and marketing. Note that parking costs are included within SCO5.

69. The preferred option is Option 4. This option provides the best fit with the strategic objectives and vision for this investment and is affordable—through $8.2m of confirmed funding and an additional fundraising component of $1.7m.

70. This option is attractive as it sees a balance in investment between both new and existing facilities, recognising that there exists potential to source funding for further upgrading the existing 50m pool facility through subsequent annual Council funding rounds. There is no doubt that major upgrades to the existing facility are necessary, and this was reinforced through the Investment Logic Mapping exercise. The Council has expressed that the intent is to address some of these major upgrades during latter stages of the site development (and with funding potentially sourced through the usual Council budget process). For this reason, the preferred option does not fully undertake all work required on the existing 50m facility—instead, it includes priority and relatively inexpensive aspects of SCO2 namely upgrading the filtration and plantroom and improving the pool surrounds. These respectively satisfy the investment objectives by mitigating operational continuity and health&safety risks to the public (identified in the ILM process) and enhancing the vision of the "Cambridge beach", alongside development of the new facility.

71. It is proposed that demolition of the existing change rooms (SCO2D) is a sensible and necessary activity if improvements are to be made to the existing pool grounds. It is recognised that this is not ideal, as this means that no change facilities will be provided for the outdoor pool. Noting that use of the 50m pool is seasonal, it is expected that the indoor changerooms, although being under pressure during peak periods, will be able to accommodate both indoor and outdoor pool demand as a temporary solution.

72. The current indoor pool changeroom location does not suit outdoor use and encourages indoor/outdoor flow of patrons and a general crossover of wet and dry foot traffic. However, given available budget and need to improve the site, demolition of the existing changerooms is preferred. It is expected that this would be a temporary arrangement, and it is recommended that Council consider construction of new change rooms sooner rather than later, with funding sought for this through latter Council budget processes.

73. The preferred option provides an eight lane swimming pool (SCO5), considered to provide the best value for money of the lane pool options, and can be met within a realistic budget—with room in the budget to invest in other "add-on" options.

74. An eight lane pool will provide the capacity and flexibility needed to deliver the desired "fun and leisure destination", and will also support Health and Wellness outcomes, with the variety of water space, depth and temperature providing for range of uses.

75. Additionally, the footprint of the 8 lane pool option will provide for a more generous street frontage and parking area when compared with other options. This option best enables a staged approach for site and facility expansion, and carries less financial risk than other options as it requires significantly less external funding.

76. This option will suitably provide for the range of aquatic activities expected by the community—and aligns well with WRSFP's proposal that Cambridge Pool carries a Local status. This pool will provide adequate facility to support competition and training—although this is not a priority, given the ability of the existing 50m pool to fulfil this need.

77. The preferred option also includes a spa and sauna facility. This is a relatively inexpensive "add-on" option, which aligns well with both fun and leisure, and health and wellbeing outcomes. The spa and sauna facility has the potential to draw a positive revenue stream (as patrons typically pay a separate admission charge), and has been prioritised due to its placement within the main facility (and obvious construction cost efficiencies). This will also reduce future disruption to service by maximising development to the main facility in the initial stage.

    The other short list options were rejected as:

78. Option 2 (do minimum) does not make any attempt to improve/upgrade the existing facility. As well as not providing a complementary site environment for the proposed new facility, leaving the existing facility "as-is" is not expected to meet the expectations of the Cambridge and Waipa communities.

79. Option 3 ("Preferred-Minus") provides the same features as Option 4, but without the addition of an Outdoor Spray Park (SCO9). This option requires less external fundraising than the "Preferred Option" at this stage of the investment (with $1.6m in additional fundraising required). However, compared to the "Preferred Option" this is not recommended as it does not satisfy the investment objectives to the same extent as the Outdoor Spray park provides excellent Value for Money and would greatly enhance the vision of "Cambridge's Beach"—providing an accessible facility for families and children.

80. Option 6 – 10 Lane option was discounted due to the existing site constraints, the ability to futureproof the site and affordability against the current budget.. If Council were able to expand this site and encroach on the adjacent reserve zone, as well as increase the proposed level of funding such that the higher expenditure on the new lane pool does not compromise the other investment objectives, this option can be considered by Council. In particular it should not be at the expense of the 50m pool filtration/plantroom upgrade, outdoor spray park and spa/sauna.

81. Not included in the short list options, the hydrotherapy (SCO11) and separate programme/teaching pool (SCO8) options also align well with investment objectives. These options have been discounted due to affordability, and because more information relating to market demand and potential third party providers is needed. Should funding become available, these options should be considered, potentially in partnership with a commercial provider. Similarly, the potential for gym (SCO12), café or crèche (SCO13) options exists—however demand, and the appetite for external service provision needs to be better gauged. The preferred option allows for these options to be considered as part of future site expansion, when/if funding is secured and demand is understood.

82. It should also be noted that the economic analysis is based only upon a cost versus cost assessment, and subsequent affordability, rather than attempting to assign monetary values to non-monetary benefits (as a traditional Cost-Benefit-Analysis would do). In this case, assigning monetary values to non-monetary benefits would be of little value, as the two key differentiators between options are strategic fit and a direct cost comparison. In addition, it would not be practicable to attempt to quantify non-monetary benefits as a way of deciding between two options that fit well with strategic objectives. Refer to Appendix for Benefits expected from this investment.

Commercial Case

83. The recommended procurement strategy for the project, commercial framework, required services and associated justification and relevant risks are as per 'Cambridge Pool Redevelopment – Procurement Options Analysis' date August 2015 by Beca Ltd.

Financial Case

84. For comparative purposes, indicative operating budgets were developed for the 8 lane and 10 lane options cost recovery. It showed very little difference between these two options from an opex perspective (noting there is an $850k difference in construction costs between the 8 and 10 lane options). In the absence of a dedicated pool for learn to swim and warm water programmes, recovery of costs are estimated to be in the vicinity of 60% reflecting the preferred scope making the facility and its services as accessible to the widest cross section and the community and achieve a balance between public and private good.

85. The budgets were based on an estimated catchment population of 30,000 and average 7 visits per head of population annually. Operational outcomes have also been benchmarked against the current costs for the Karori Community Pool in Wellington which has similar pool components, usage demographic and catchment.

86. Most significant costs relate to the costs of personnel and as such the detailed design of the project should consider staff efficiencies carefully. At this stage costs are based on a seven person full-time rotating roster and supported by part-time and casual operating and program staff along with seasonal staff.

87. Based on the Karori pool proxy, for the preferred option (SCO5, SCO7 and SCO10), indicative operating expenditure is estimated at $1.21m; and revenue at $0.73m. Note that this includes estimated opex for the existing 50m pool. These costs are indicative only, as detailed costing will be possible once detailed design and staffing requirements (for example) are confirmed.

88. For future consideration adding a dedicated pool for learn to swim and warm water programmes will improve the recovery to around 64% per annum.

89. In order to refine operational costs, a detailed business plan and operating budget will be required in due course based on the final design and scope of the facility, and linked to the proposed funding arrangements. The capex requirements are as detailed elsewhere in this document. It should be noted that the TA swimming pool opex costs are in excess of $1million.

90. Appropriate contingencies should be made for related financial and business risks and uncertainties.

Management Case

91. The project is already approved and established to deliver the required services and this will be managed using appropriate and established project management methodology. The project delivery approach, governance structure and key risks, tasks, roles and

responsibilities are as set out in ‘Terms of Reference - Cambridge Pool Development Project Control Group, August 2015’ and ‘Cambridge Town Pool Redevelopment Project Plan, September 2015’.

Next Steps

92. This business case seeks formal approval from the Waipa District Council to approach the market for services and progress the implementation of the preferred option.

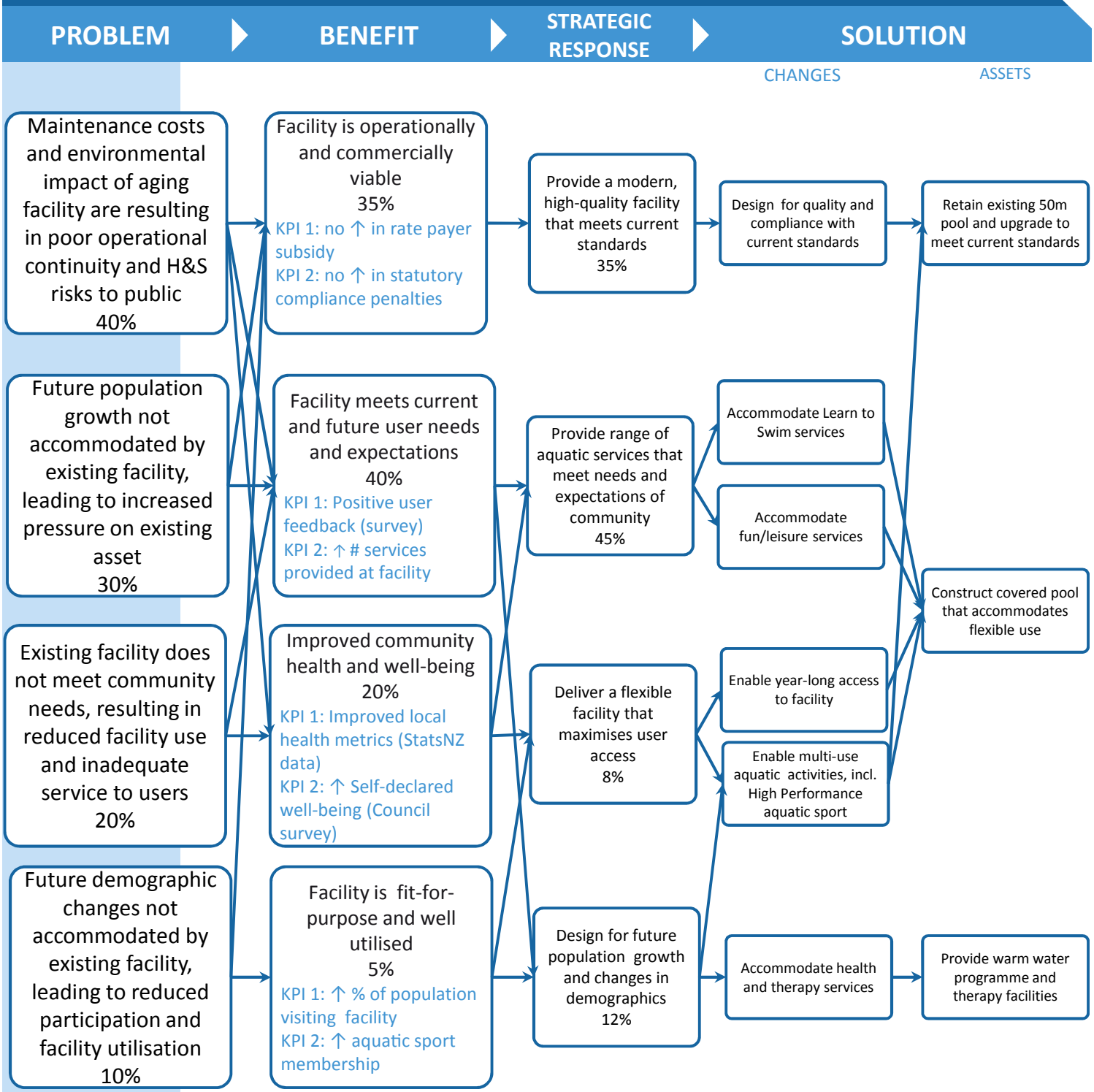
Appendix 1 – Investment Logic Map

WAIPA DISTRICT COUNCIL

Achieving a fit-for-purpose, valued and well-patronised community pool facility for Cambridge

INVESTMENT LOGIC MAP

Initiative



Investor: Tony Roxburgh
Facilitator: Nicola Houlding
Accredited Facilitator: No

Version no: 0.1
Initial Workshop: 10/11/2015
Last modified by: Nicola Houlding 23/11/2015
Template version: 5.0

Appendix 2 – High Level Scope Option Costs

Note: The cost estimates provided are high level costs to enable scope definition only. These costs will be refined further through concept and detailed design phases of the project.

Cambridge Pool Redevelopment
Scope/Cost options Jan-16

	Other/Add-Ons	SCO2 - Upgrade existing 50 m pool facility: new filtration and make good existing plantroom $550k	SCO2 - Upgrade existing 50 m pool facility: new paving and sundry tidying up pool surrounds $100k	SCO2 - Upgrade existing 50 m pool facility: new change rooms $450k	SCO2 - Upgrade existing 50 m pool facility: demolish existing buildings $50k	SCO2 - Upgrade existing 50 m pool facility: recommission toddlers pool (as more leisure type function - LTS function under SC07) $200k	SCO7 - Integrated teaching and toddlers pool $1.3m	SCO8 - Separate teaching and toddlers pool $1.8m	SCO9 - Integrated indoor/outdoor leisure: spray park $500k	SCO10 - Spa/sauna $300k	SCO11 - Separate Hydrotherapy pool $1.8m
Main Pool Options											
SCO5 - 8 Lane 25m indoor lap pool $7.1m (incl change/ back of house/public areas, car parking, minor external works) PLUS Options:											
SCO6 - 10 Lane 25m lap pool $7.95m (incl change/ back of house/public areas, car parking, minor external works) PLUS Options:											

Option Mix - Longterm Ideal:	Total Budget Option Costs (if **$9.9m** funding available):	($7.8m + $2.1m*)	* total external funding target achieved - unrealistic
a) Preferred scope	**$9.9million**		
b) Alternative 1 scope	$9.9million		
Option Mix - Preferred Plus:	Total Budget Option Costs (if **$9.3m** funding available):	($7.8m + $1.5m*)	* 'bonus' external funding level achieved
a) Preferred scope	**$9.35million**		
Option Mix - Preferred:	Total Budget Option Costs (if **$8.8m** funding available):	($7.8m + $1m*)	* realistic external funding target
a) Preferred scope	**$8.85million**		
Option Mix - Do Minimum:	Total Budget Option Costs (if **$8.2m** funding available):	($7.8m + $0.4m*)	* no more than current $400k external funding achieved
a) Preferred scope	**$8.4million**		
b) Alternative 1 scope	**$8.25million**		

Appendix 3 – Scope Options - Plan Layouts

Note: The plan layouts provided are high level to enable scope definition and to ensure that the facilities can be accommodated within the existing Cambridge pool site. They will be refined further through concept and detailed design phases of the project.

Legend

SC07
1. Programmes / Play / LTS
2. Junior / Play / LTS
3. Toddlers Pool

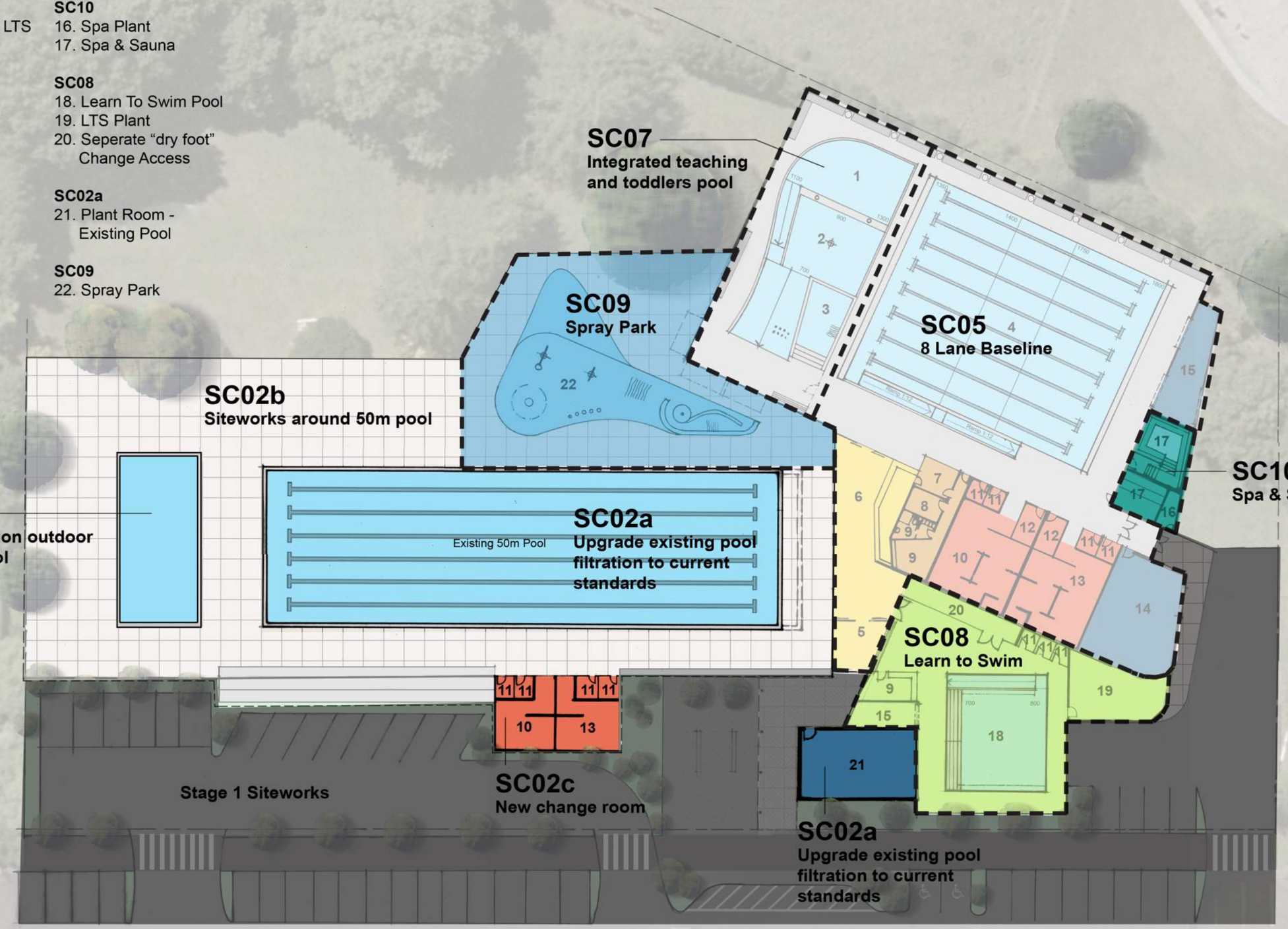
SC05
4. Lap Pool (8 Lane)
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store

SC10
16. Spa Plant
17. Spa & Sauna

SC08
18. Learn To Swim Pool
19. LTS Plant
20. Seperate “dry foot” Change Access

SC02a
21. Plant Room - Existing Pool

SC09
22. Spray Park



SCOPE OPTION KEY PLAN - 8 LANE

1 5 15 25 50

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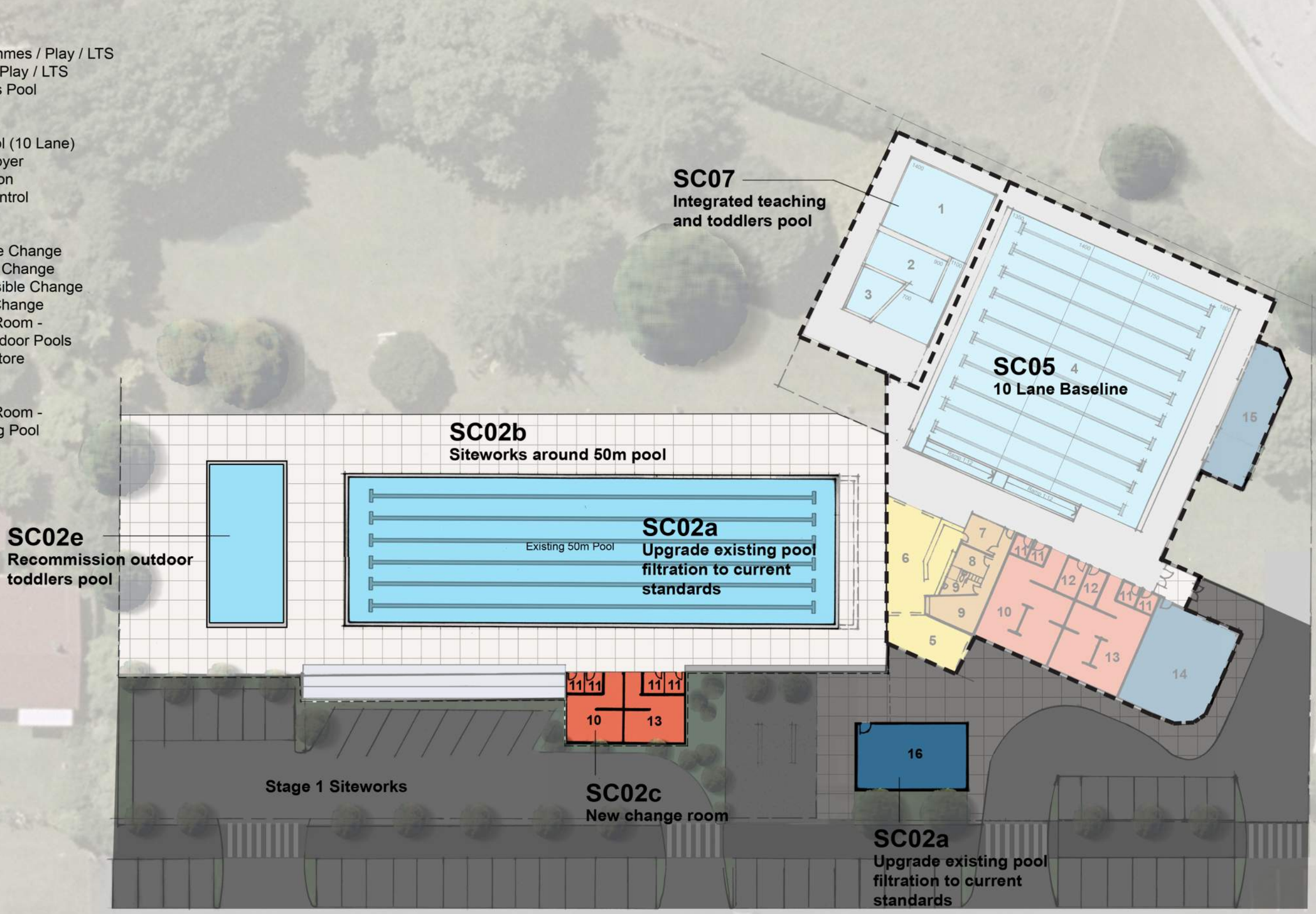
Legend

SC07
1. Programmes / Play / LTS
2. Junior / Play / LTS
3. Toddlers Pool

SC05
4. Lap Pool (10 Lane)
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store

SC02a
16. Plant Room - Existing Pool



SCOPE OPTION KEY PLAN - 10 LANE

1 5 15 25 50

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8 LANE BASELINE OPTION

1 5 15 25 50

Legend

SC07
1. Programmes / Play / LTS
2. Junior / Play / LTS
3. Toddlers Pool

SC05
4. Lap Pool (8 Lane)
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store

SC02a
21. Plant Room - Existing Pool

Building Area(m2)		
SC05 8 Lane Baseline *(incl. SC07)*	Main Pool Hall	1260
	Changerooms	185
	Staff Admin	55
	Pool Store	40
	PWS Plantroom	95
	Entrance/Lobby	135
		1770
Outdoor Pool	Changerooms *(SC02c)*	95
	Exg. Plantroom *(SC02a)*	80

Water Area(m2)	
Outdoor Lane Pool	750
Lane Pool(incl. ramp)	520
Programmes	75
Junior Pool / Play	100
Toddlers Pool	35
	1480

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8 LANE ENHANCED OPTION

1 5 15 25 50

Legend

SC07
1. Programmes / Play / LTS
2. Junior / Play / LTS
3. Toddlers Pool

SC05
4. Lap Pool (8 Lane)
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store

SC10
16. Spa Plant
17. Spa & Sauna

SC08
18. Learn To Swim Pool
19. LTS Plant
20. Seperate “dry foot” Change Access

SC02a
21. Plant Room - Existing Pool

SC09:
22. Spray Park

Building Area(m2)		
SC05 8 Lane Baseline *(incl. SC07)*	Main Pool Hall	1260
	Changerooms	185
	Staff Admin	55
	Pool Store	40
	PWS Plantroom	95
	Entrance/Lobby	135
		1770
SC10 Spa & Sauna	Spa & Sauna	50
	Spa & Sauna Plant	6
		56
SC08 Learn To Swim	Pool Hall	295
	Changerooms	35
	Staff Admin	15
	Pool Store	17
	LTS Plantroom	50
	Entrance/Lobby	135
		547
Total	8 Lane Baseline	1770
	Spa & Sauna	56
	Learn To Swim	547
		2373
Outdoor Pool	Changerooms *(SC02c)*	95
	Exg. Plantroom *(SC02a)*	80

Water Area(m2)	
Outdoor Lane Pool	750
Lane Pool(incl. ramp)	520
Programmes	75
Junior Pool / Play	100
Toddlers Pool	35
Spray Park (Zero Depth)	190
Learn To Swim Pool	115
	1785

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ARCHITECTURE HDT

10 LANE BASELINE OPTION

1 5 15 25 50

Legend

SC07
1. Programmes / Play / LTS
2. Junior / Play / LTS
3. Toddlers Pool

SC05
4. Lap Pool (10 Lane)
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store

SC02a
16. Plant Room - Existing Pool

Building Area(m2)		
SC05 10 Lane Baseline *(incl. SC07)*	Main Pool Hall	1340
	Changerooms	185
	Staff Admin	60
	Pool Store	70
	PWS Plantroom	100
	Entrance/Lobby	135
Total		1890
Outdoor Pool	Changerooms *(SC02c)*	145
	PWS Plantroom*(SC02a)*	80

Water Area(m2)	
Outdoor Lane Pool	750
Lane Pool(incl. ramp)	655
Toddlers Pool	20
Learn To Swim / Junior Pool	55
Programmes	80
	1560

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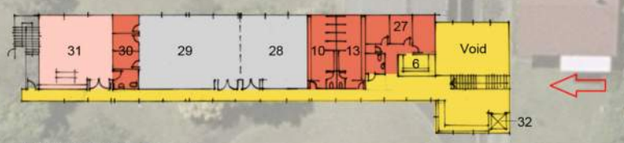
SITE WIDE - MASTER PLAN

Legend

1. Lap Pool (8 Lane)
2. Programmes
3. Junior / Play Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store
16. Spa Plant
17. Spa & Sauna
18. Learn To Swim Pool
19. LTS Plant
20. Seperate “dry foot” Change Access
21. Plant Room - Existing Pool
22. Spray Park
23. Shallow Water Leisure Pool
24. Water Slides
25. Cafe
26. Kitchen
27. Assessment/Physio/Massage
28. Gym Programmes
29. Gym Weights
30. Assessment/Meeting Rooms
31. Club Rooms
32. Lift
33. Stage 1. Parking
34. Stage 2. Parking
35. Childrens Playground
36. Fitness Station
37. Lookout/Performance Pavilion
38. Coach Parking
39. Existing Skate Bowl
40. Skateboard Shutes & Tricks Area
41. Proposed Street Parking
42. Additional Street Parking
43. Existing Parking
44. Skateboard Shutes & Tricks Area
48. Climbing Wall
46. Half Court Basketball



FIRST FLOOR

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ARCHITECTURE HDT

Legend

1. Lap Pool (8 Lane)
2. Programmes
3. Junior / Play Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store
16. Spa Plant
17. Spa & Sauna
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19. LTS Plant
20. Seperate “dry foot” Change Access
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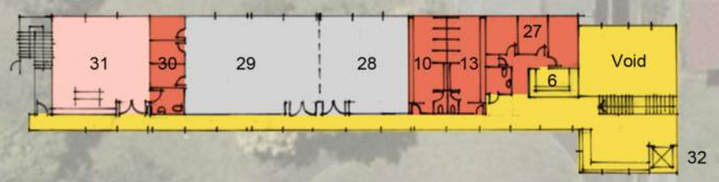
22. Spray Park
23. Shallow Water Leisure Pool
24. Water Slides
25. Cafe
26. Kitchen
27. Assessment/Physio/Massage
28. Gym Programmes
29. Gym Weights
30. Assessment/Meeting Rooms
31. Club Rooms
32. Lift
33. Stage 1. Parking
34. Stage 2. Parking



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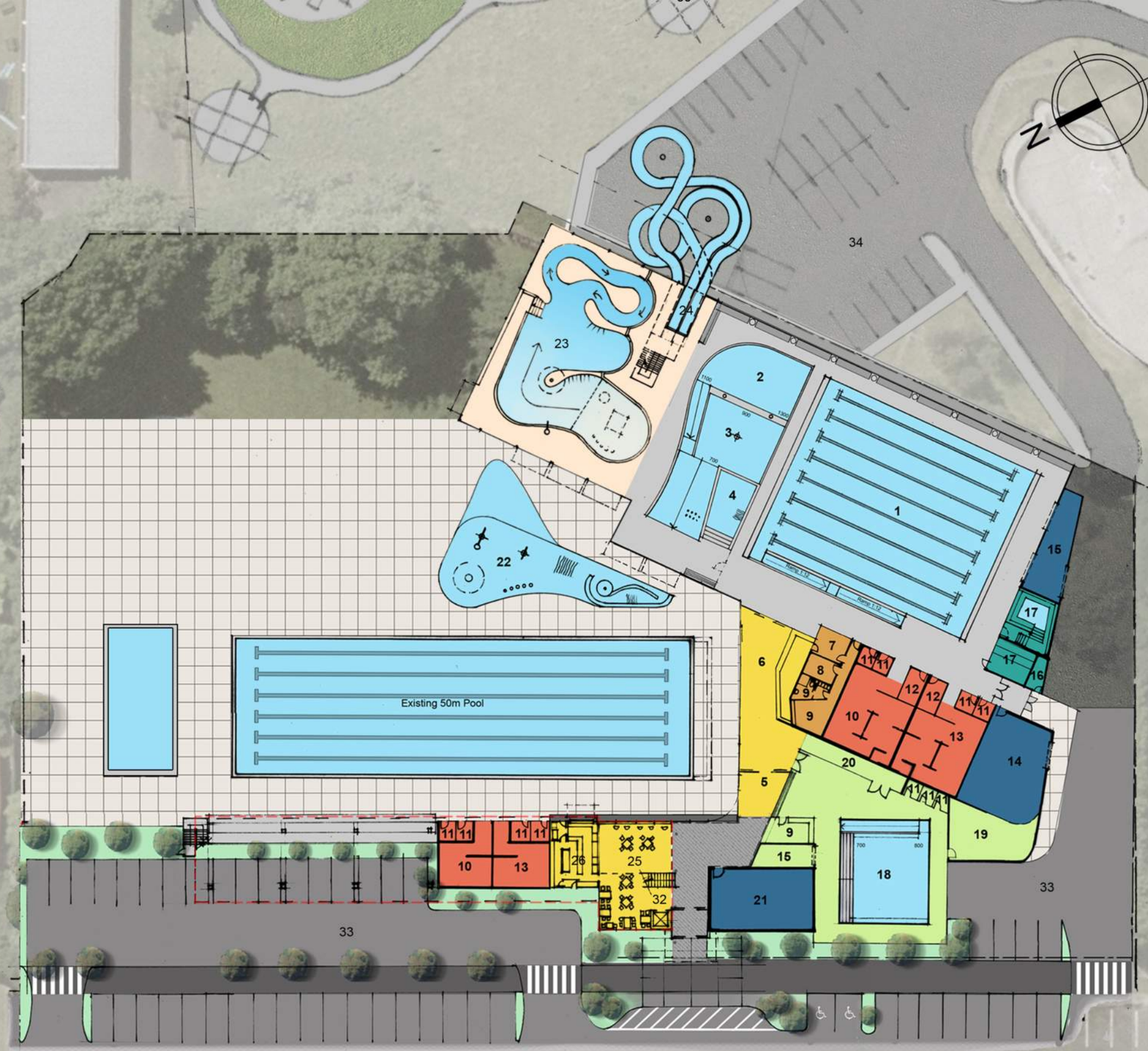

8 LANE - MASTER PLAN

1 5 15 25 50

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ARCHITECTURE HDT

Legend

1. Lap Pool (10 Lane)
2. Programmes
3. Junior / Play Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store
16. Spa Plant
17. Spa & Sauna
18. Learn To Swim Pool
19. LTS Plant
21. Plant Room - Existing Pool
22. Spray Park
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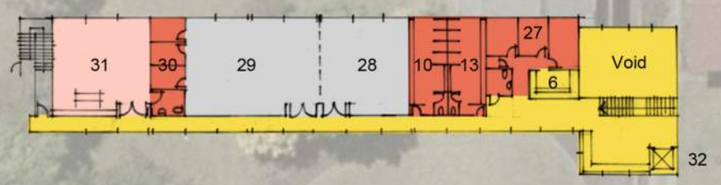
24. Water Slides
25. Cafe
26. Kitchen
27. Assessment/Physio/Massage
28. Gym Programmes
29. Gym Weights
30. Assessment/Meeting Rooms
31. Club Rooms
32. Lift
33. Stage 1. Parking
34. Stage 2. Parking



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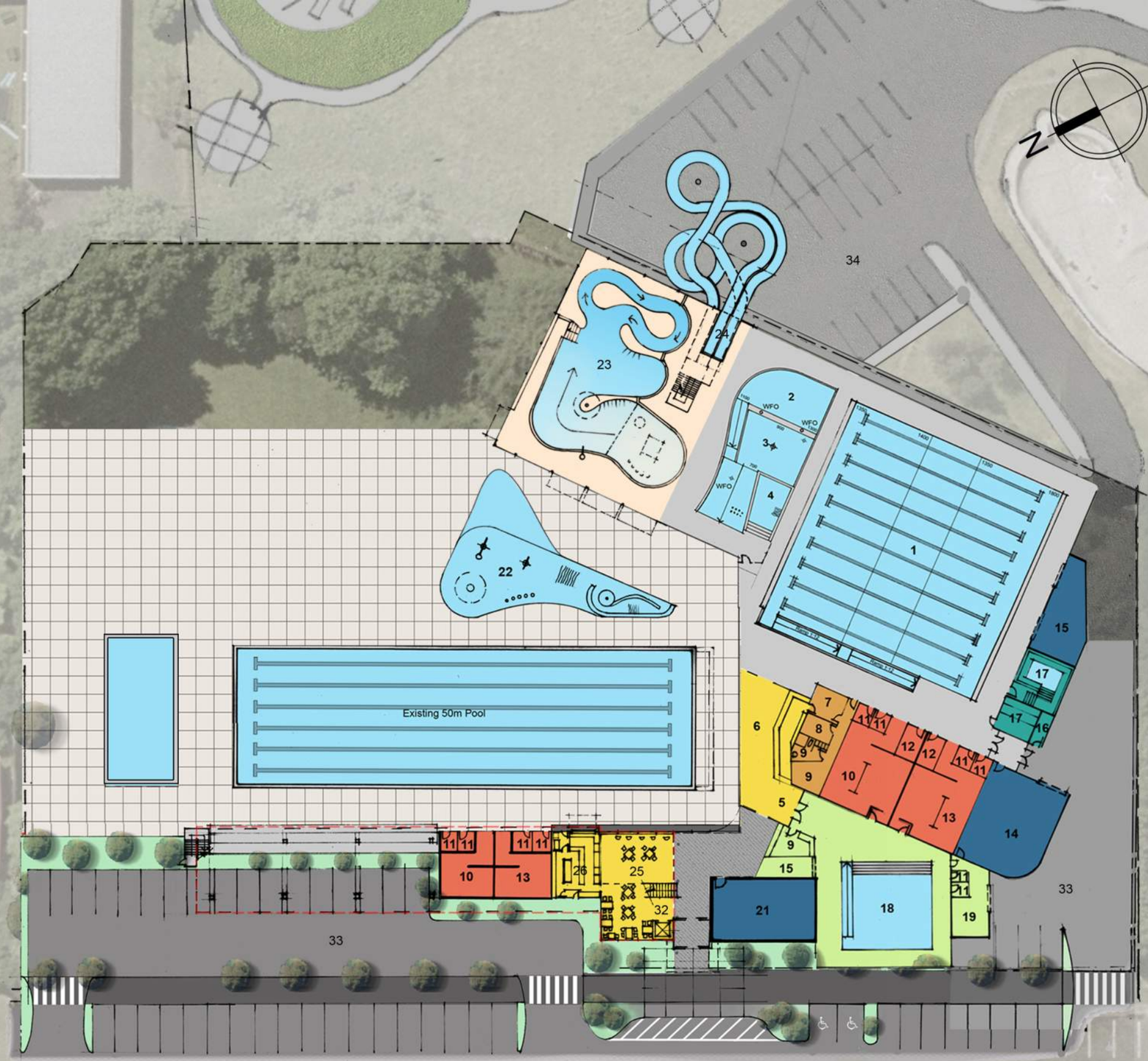

10 LANE - MASTER PLAN

1 5 15 25 50

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Junior Pool

Toddlers Pool

Lane Pool

Spray Park

Swimming Pool

Lane Swimming

Spa & Sauna

Lane Pool

1 5 15 25 50

FACILITY USE
RECREATION + LEISURE
8 LANE OPTION

Legend

1. Lap Pool (8 Lane)
2. Programmes
3. Junior / Play Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store
16. Spa Plant
17. Spa & Sauna
18. Learn To Swim Pool
19. LTS Plant
20. Seperate “dry foot” Change Access
21. Plant Room - Existing Pool
22. Spray Park

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Junior Pool

Lane Pool

Toddlers Pool

Swimming Pool

Lane Swimming

Lane Pool

1 5 15 25 50

FACILITY USE
RECREATION + LEISURE
10 LANE OPTION

Legend

1. Lap Pool (10 Lane)
2. Programmes
3. Learn To Swim / Junior Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant
15. Pool Store

N

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ARCHITECTURE HDT

FACILITY USE
HEALTH + THERAPY
8 LANE OPTION

Legend

1. Lap Pool (8 Lane)
2. Programmes
3. Junior / Play Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store
16. Spa Plant
17. Spa & Sauna
18. Learn To Swim Pool
19. LTS Plant
20. Seperate “dry foot” Change Access
21. Plant Room - Existing Pool
22. Spray Park

N

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FACILITY USE
HEALTH + THERAPY
10 LANE OPTION

Legend

1. Lap Pool (10 Lane)
2. Programmes
3. Learn To Swim / Junior Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant
15. Pool Store

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FACILITY USE
COMPETITION + TRAINING
8 LANE OPTION

Legend

1. Lap Pool (8 Lane)
2. Programmes
3. Junior / Play Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant Room - New Indoor Pools
15. Pool Store
16. Spa Plant
17. Spa & Sauna
18. Learn To Swim Pool
19. LTS Plant
20. Seperate “dry foot” Change Access
21. Plant Room - Existing Pool
22. Spray Park

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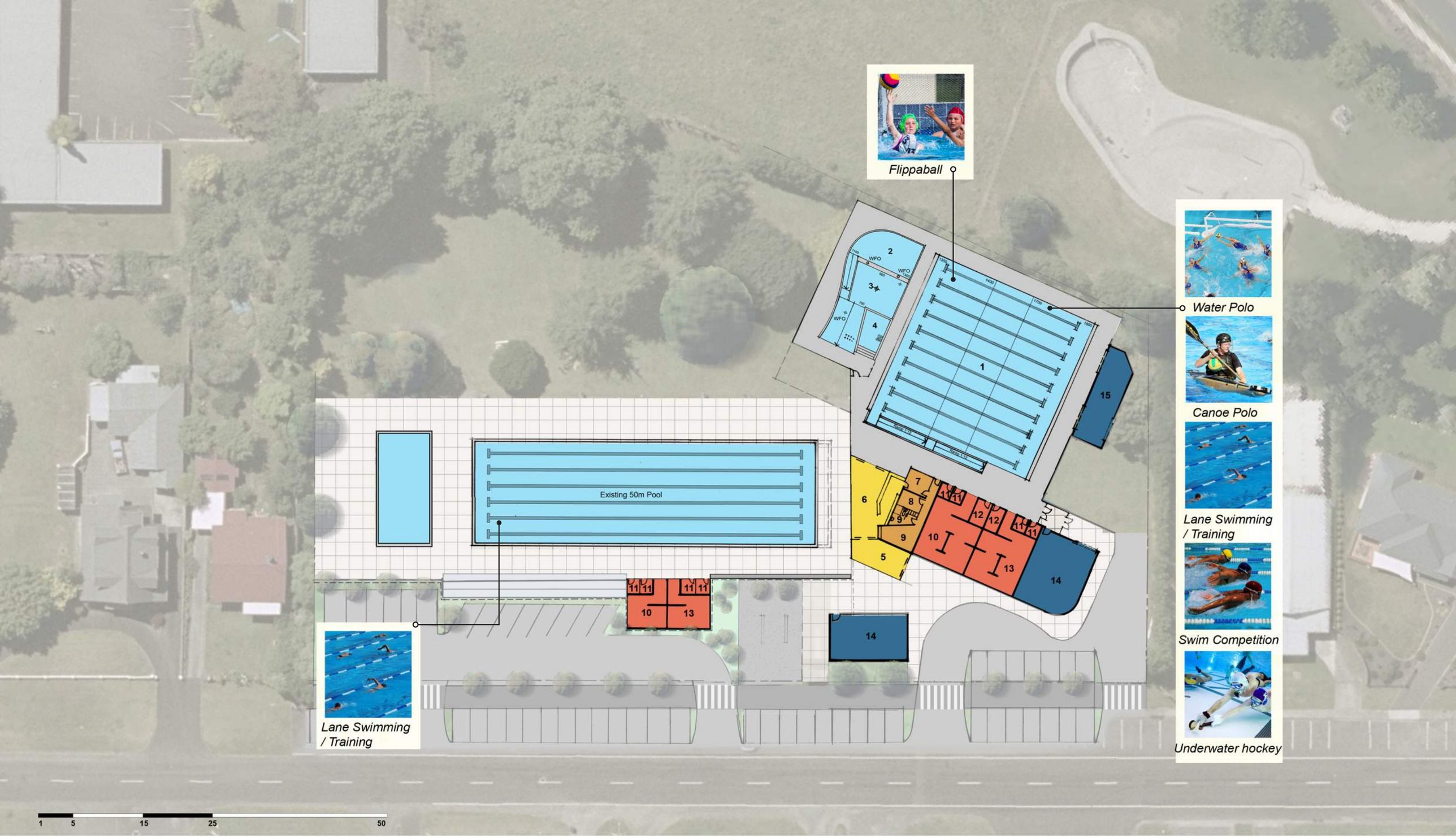

FACILITY USE
COMPETITION + TRAINING
10 LANE OPTION

Legend

1. Lap Pool (10 Lane)
2. Programmes
3. Learn To Swim / Junior Pool
4. Toddlers Pool
5. Entry Foyer
6. Reception
7. Pool Control
8. Admin
9. Staff
10. Female Change
11. Family Change
12. Accessible Change
13. Male Change
14. Plant
15. Pool Store

N

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