

Leisure Procurement Strategy –Summary of Key Finance and Contract Risks Associated with Proposed Capital Works

Risk	Mitigating Measures and Comments
New facilities opened in the Borough that draw customers away from Waverley facilities	DC Leisure take the business plan risk for the 15 years in terms of attendance and actual income and expenditure projections. However, it is not in the Council's interest for a major contract to become financially unsustainable due to factors outside of the contractor's control. Therefore, the contract allows for 5-yearly reviews that enable the Council and contractor to assess the impact of any such factors and report to Members.
Contractors consider that requirement for two-site option is too onerous and are deterred from submitting tenders.	Early indication from Waverley's property advisors is that the market is still active and there remains a high likelihood of wide-ranging interest in this contract.
Any closure period for capital works loses customers (depending on site at Godalming)	DC Leisure is an experienced contractor and have undertaken many successful major leisure construction projects. Officers will work with DC and their appointed contractors to minimise the length and extent of the disruption and to ensure that customers are kept informed. Officers will seek to ensure that customers are able to use alternative Waverley facilities during closure time. The estimated cost is included in the capital estimates.
The capital works identify unexpected building issues, leading to delays and additional costs during construction.	<p>A comprehensive programme of surveys would be undertaken. The JCT contract includes provision for dealing with this situation. Members would be kept informed and any additional approvals would be sought.</p> <p>Contingencies are allowed for in the capital estimates to pay for unexpected issues arising during construction. The Council would need to ensure that it provides adequate funding in its capital programme in future years to pay for</p>