

NORTH SOMERSET COUNCIL DECISION

DECISION OF: COUNCILLOR ASHLEY CARTMAN. THE EXECUTIVE MEMBER FOR ASSETS AND CAPITAL DELIVERY



WITH ADVICE FROM: THE ASSISTANT DIRECTOR NEIGHBOURHOODS AND TRANSPORT AND S151 OFFICER

DECISION NO: 22/23 DP 363

SUBJECT: AGREEMENT TO INCREASE THE LEISURE CAPITAL BUDGET BY £970K FOR URGENT WORKS

KEY DECISION: YES

REASON: The capital required is over £500k.

Note: This is a key decision that has not been included in the forward plan. The access to information rules have been followed.

BACKGROUND:

Following years of lack of investment in leisure facilities, over the last 2 years the Council has committed over £2.5m to carry out urgent building replacement works to enable the facilities to continue delivering a service to local residents.

Despite this investment into the leisure assets there are still a number of capital works outstanding.

In order to understand the long term picture of the buildings condition, condition surveys have now been completed for all of the leisure centres with the aim of determining the condition of our assets and also to be used to put in place a 10 year programme of repair/replacement of elements of the building such as fabric and plant.

The leisure contracts have a number of years left on them, meaning that the council is liable for asset works on these premises going forward.

These works will enable the buildings to continue to provide services for local people.

Hutton Moor Leisure Centre is the Council's largest leisure site, which provides for over 90,000 people in the Weston area and has over 400,000 uses per year.

Previously Identified Works

The condition reports have been examined and the roof and air handling unit as expected were identified as beyond their life and in need to replacement within a year timescale, however the costs taken from the condition surveys are now higher, due to a number of factors.

Hutton Moor Leisure Centre – Sports Hall Roof

In 2019 a budget of £200k was allocated to replace the sports hall roof at Hutton Moor Leisure Centre as it had a number of leaks and was becoming a significant health and safety concern.

Investigation works continued on the replacement with the Council's approved contractor, however it was very slow and little outcomes were achieved. In 2021 an initial quote determined that the roof replacement cost was likely to be £350k and the additional capital was secured.

Following the appointment of new building surveyors, the project was given allocated time to support the replacement. During this time, there were some uncertainties with the Council's contractor and sub-contractors ability to deliver this large scale project and the project was put on hold and a new solution investigated inline with the emerging building condition surveys.

The roof replacement is a large scale project which will have a significant impact on the ability to use the hall during the works period. In order to reduce the impact on the service and also reduce the impact on the leisure contractors income, it was agreed that August was the best time for a scheme of this nature.

Hutton Moor Leisure Centre – Air Handling Units

In 2021 a capital allocation of £400k was secured to replace the air handling unit on the wetside area of the centre (swimming pool), this equipment was experiencing issues and intermittent failure and deemed in need of urgent replacement.

Again this is a significant piece of work and the impact on the service delivery needs to be carefully managed.

New Identified Works

All the condition surveys have been examined and the following items have been identified at Hutton Moor as at 'end of life' and in need of replacement within a year.

- Roof coverings for the fitness/plant room and changing areas
- water storage installation tanks and associated pipework are at end of life and are located within the plant room.
- Main passenger lift in reception area – regularly fails and at end of life. This is needed to enable customers with accessibility issues to reach the first floor of the facility (a DDA requirement)

All of the items being replaced are the original from when the facility was built over 30 years ago and have lasted well beyond their expected lifespan.

The roof replacements identified above and the sports hall roof, are significant in size and will replace over 2500m², which represents all roof coverings for the dryside of the building, excluding the newer areas provided in 2016 as part of the onsite development. The only roof remaining on site, for future replacement will be the swimming pool.

The proposal is to carry out all of the required works at the same time – August/September 2023. This will reduce the impact on the service delivery and also the income losses for the contractor.

The Council is not liable for the loss of income for the contractor during planned major works, however with the difficult financial position for the contractors, the least impact on their income is important.

The comprehensive condition surveys include building fabric, internal elements and mechanical and electrical elements.

All required works have been costed by the consultants and includes all fees and project management costs for the works.

The new project costs are as follows:

Project – all at Hutton Moor Leisure Centre	Project Cost – Oct 22	Current capital allocation	Shortfall/ Additional capital required
Sports Hall roof replacement	£450k	£350k	£100k
Air handling unit replacement (wetside)	£710k	£400k	£310k
Remaining dryside roof replacement	£265k	0	£265k
Water Tank and associated works	£220	0	£220k
Passenger lift replacement	£75k	0	£75k
Totals	£1.72m	£750k	£970k

NB. The costs above include 10% increase for inflation and a 10% contingency sum.

All projects (except the lift) are interlinked, as the air handling and water tanks are all located within the plant room and the sports hall roof houses the air handling units and vents.

By carrying out these works together using a suitable Council framework (to be agreed with procurement), will provide economies of scale, professional site management and delivery by an established construction company.

As stated above it is proposed that the works will be completed in August/September 2023, to reduce the impact on the service delivery and income.

As part of these works, we will also be exploring the possibility of the installation of PV panels on the new roof, in partnership with our leisure contractor.

DECISION:

- 1) Increase in the Leisure Asset Management Plan capital scheme (KFA121) by £970,000, funded from borrowing.
- 2) Approval to proceed with the projects identified above and spend against KFA121

REASONS:

If assets fail and facilities have to be closed, the council is required to pay compensation to the contractors for loss of earnings – this is part of the profit and risk share arrangement contained within the contracts

Capital Board supported this decision at the meeting on 9 November 2022.

OPTIONS CONSIDERED:

The most efficient method of delivering all schemes as one project at the same time, rather than spread over a period of time, was deemed the most suitable in order to reduce the impact on the service delivery and achieve economies of scale.

FINANCIAL IMPLICATIONS:

Without carrying out the essential works above, the council would be liable for loss on income, should any of these items fail and cause the facilities to close. This is estimated to be £150k per month

Costs

The estimated cost of the works is £1.72m.

Funding

The existing capital programme already includes a budget of £750k for these works, this decision approves an increase of £970k to be funded by borrowing.

LEGAL POWERS AND IMPLICATIONS

The buildings are owned by the council and the areas identified above are the councils responsibilities under the leisure contracts.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

A number of the projects are to ensure that the buildings remain as efficient as possible. All new equipment/plant will be considerably more energy efficient than those currently in situ. The new roof will also be insulated to meet current standards. Environmental impacts will be considered for all works. We are also exploring the potential for PV installation as part of these works.

CONSULTATION

Consultation with the leisure contractors have taken place, in order to ensure the timing of the works have the least impact on the service delivery.

RISK MANAGEMENT

These works will be carried out together using a suitable Council framework (to be agreed with procurement), will provide economies of scale, professional site management and delivery by an established construction company.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? No

CORPORATE IMPLICATIONS

The leisure centres provide residents venues to take part in physical activity, to improve both their physical and mental well being.

APPENDICES

N/A

BACKGROUND PAPERS

N/A

SIGNATORIES:

DECISION MAKER(S):



Signed:

Executive Member for Assets and Capital Delivery

Date: 4 January 2023.

WITH ADVICE FROM:



Signed:

Assistant Director Neighbourhoods and Transport. In accordance with delegated authority 22/23 DP 53

Date: 4 January 2023



Signed:

S151 Officer

Date: 4 January 2023