

CABINET

19 January 2005

RIVER PARK LEISURE CENTRE - REFURBISHMENT

REPORT OF DIRECTOR OF COMMUNITY SERVICES

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RECENT REFERENCES:

CAB 858 – Major Refurbishment Works, River Park Leisure Centre - 20 April 2004

EXECUTIVE SUMMARY:

The report provides Members with a clearer picture of the nature, cost and timing of refurbishment works required at the River Park Leisure Centre. The report notes that some further negotiation is required with DC Leisure (the management contractor) regarding the period of closure and any additional costs arising from this due to loss of revenue. None of the principle issues relating to the works has changed since the previous report to Cabinet but further cost information have been obtained which needs to be considered. It is now suggested that works should take place in the first half of 2006, to allow a proper period of consultation with users and for tendering processes.

RECOMMENDATIONS:

It is recommended that:

- 1 Cabinet notes the estimated cost of the essential works required at the River Park Leisure Centre is contained within the budget provision of £1.1m already made and approves these works;
- 2 Cabinet determines whether this provision should be increased by up to £300,000 to enable other improvement works to take place, subject to Council approval of the revised capital programme as a part of the annual budget process;
- 3 Cabinet notes that the likely period of closure of the centre will be in the first half of 2006;

- 4 That a direction be made under Contract Procedure Rule 3.3 (a) to allow the appointment of those consultants as identified in Exempt Appendix 3 on the basis set out therein for the provision of professional services in connection with the contract;
- 5 That the financial appraisal supporting the project report as set out in Appendix 2 be approved.

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DETAIL:

1 Introduction

- 1.1 At its meeting on 20 April 2004 Cabinet received reports (CAB 858) summarising the refurbishment works that are essential to ensure that the River Park Leisure Centre continues to function effectively for the foreseeable future. These works consist of the routine replacement of plant and equipment which has reached the end of its serviceable life. It is only the scale of the equipment which means that the works are both expensive and disruptive. None of the works arise from any lack of care or maintenance.
- 1.2 The report itemised those works which must be carried out (because the Centre cannot function if they are not) and added to that list a schedule of works which would improve facilities for users, such as the refurbishment of changing room areas. These works do not have to be undertaken, but an extended period of closure would represent a cost effective opportunity to address problems (such as poor air handling and drainage) which have given rise to more customer complaints over the years than any other aspect of the operation of the centre.
- 1.3 Cabinet agreed in April 2004 that a provision should be made in the capital programme which would be sufficient to cover the estimated cost of at least the essential works. This was done and a sum of £1.1 million has been placed in the programme. It was also agreed that officers should investigate the cost of the works that were considered desirable, though not essential, such as improvements to the changing rooms and report back on these items so that Members could give consideration on whether to include additional funding for these works in the capital programme. Cabinet expressed a willingness to consider such works because of the need to make visible tangible improvements that would be noticed by centre users after a period of closure.
- 1.4 Given the complexity of the works involved it has proved difficult to draw together a comprehensive cost plan and timetable. Some elements of this are still not fully complete, but sufficient information is now available to seek guidance from Cabinet before proceeding further.

2 Cost Plan – Essential Works

- 2.1 Working through the Property Services team the engineering consultants White Young Green (based in Southampton) were commissioned to examine the nature and cost estimates for the electrical and mechanical engineering works which make up the majority of items on the list of essential works. Their advice confirms that the works are required and provides a revised cost plan. A summary cost plan is attached as Appendix 1.

- 2.2 This list varies from the list in the previous Cabinet report in that works to the roof have been removed from the programme (further details on this are provided below) whilst works on the pool hall air handling unit have been added to the essential works list as further investigation has revealed that this equipment is best replaced at the same time as other major items.
- 2.3 The estimated cost of the essential works as shown in Appendix 1 is, excluding contingencies, £953,000. This is within the original provision made in capital programme. It is an increase on the figures estimated in CAB858 primarily because of the addition of pool air handling equipment to the essential items list. However, it must be stressed that these are estimates only and the actual cost will not be known until tenders are received. A sum has also been included for professional fees. This will be a complex project requiring detailed design, specification and co-ordination across a number of specialist contractors, and works of this magnitude cannot be resourced by the in-house Property Services team. It is however proposed to utilise in-house staff resources as appropriate to administer the refurbishment works contracts and to appoint a clerk of works who will be resident on site and acts for the Council. An allowance of 10% has been made for contract contingencies. No allowance has been made for cost inflation at this stage.

3 Cost Plan – Improvement Works

- 3.1 CAB 858 contained reference to a number of items that would improve the service offered to the public provided at the Centre and which could be undertaken easily during any period of closure for essential works. These works relate mainly to the changing rooms (both dryside and wetside) which have always suffered from poor ventilation and are in need of refurbishment.
- 3.2 Discussions have taken place with a local architects practice who know the centre well and the centre management about how these works could be achieved and at what cost. The cost plan presented in CAB 858 suggested a figure of approximately £180,000 for basic improvements. This figure still stands as a minimum requirement but has not been tested in any detail. It is suggested that, if Members wish to make provision for these works then a budget maximum of £200,000 including fees is set for these works. In addition to this, other works with an estimated cost of £100,000 could also usefully be carried out which would deal with problems which have been identified within the building for some time.
- 3.3 A summary of the estimated cost of the 'improvement' works is also given in Appendix 1. Cabinet is asked to determine whether the budget provision in the capital programme should be increased to accommodate the likely cost of these.

4. Desirable Items

- 4.1 CAB 858 contains a short list of items which could be regarded as useful enhancements to the Centre but which could not reasonably be regarded as operational necessities. The cost of these items is still shown in Appendix 1. It is suggested that they are included in an agreed programme of works but carried out

only if tendering processes demonstrate that they can be accomplished within the budget provided for other works.

5. Specific Items

Pool Roof

- 5.1 The condition of the pool hall roof has given cause for concern for some time and at the time of the previous report to Cabinet it was considered likely to require further substantial work.
- 5.2 An invasive inspection was carried out approximately 12 months ago and this has confirmed that the insulation material of the roof has become saturated and is largely ineffective. However the structure of the roof is not unsafe, nor does it leak significantly into vulnerable areas. There is therefore no urgent requirement to undertake major works (if it is accepted that the thermal insulation qualities of the roof are very degraded).
- 5.3 Clearly the roof will require major works at some point, certainly within ten years, and a substantial item of expenditure is therefore inevitable in due course.
- 5.4 The only reason for considering undertaking the works now is that it may be less disruptive to carry them out simultaneously with other works to the pool hall during a period of planned closure. A further period of closure in a few years time would also give rise to further loss of income (see below). The Council therefore has a choice regarding the roof works. To do them now may be more convenient but adds another layer of complexity to the proposed refurbishment. Deferring them will mean another period of closure at some point in the next few years of uncertain length and with a loss of income arising. On balance it is suggested that the works are deferred to keep the forthcoming refurbishment as straightforward as possible. The situation will, however, be kept under review.

Flume

- 5.5 The flume (or waterslide) at River Park is no longer a major attraction for users since it is unexciting and over familiar. It is also expensive to maintain and to operate. If Members are minded to make provision for improvement works it is suggested that the flume be removed at this time and replaced, if possible, within smaller water features.

Disability Access

- 5.6 A recent access audit carried out by Hampshire County Council's in-house consultant identified a large number of works required to improve access and to ensure compliance with the Disability Discrimination Act (DDA). None of the items identified requires major structural work or new equipment. Nevertheless the large number of smaller works will add up to a significant cost. Some of these works would be undertaken as a matter of course as part of general improvement works – updating the layout of toilet cubicles for instance. Others, such as creating ramps on fire exits, will require funding separately. The Council must carry out the works at some point and this may be an important factor in considering funding the general improvement works. An additional provisional sum of £50,000 has been included in the cost plan to allow for minor works which are in addition to the larger improvement scheme.

6 Closure and Loss of Income

- 6.1 The proposed lead consultants have prepared a draft work plan which confirms the initial assessment that the engineering works will take up to three months to complete. Any other building works would run in parallel to this. They have also highlighted concerns that large parts of the Centre will have to be closed during this period, not just those on which work is directly taking place. There are two reasons for this, the first being the very onerous requirements of the engagement of health and safety during a complex contract, the second being the supply of electricity, water and other services which may be disrupted whilst work takes place. Detailed discussions will take place as the project progresses to minimise this but Members should note that it may be unavoidable.
- 6.2 The need to carry out works on the Centre was anticipated when the contract for management was let to DC Leisure, the management contractor, in 1999. The company was required to make an allowance when tendering for the loss of income during the closure period which has therefore already been built into their financial planning. However, the precise nature of the closure period, its duration and extent were not stated since they could not be known at that time. DC Leisure has raised a concern that the extent of the closure period will give rise to a greater loss of income than they had anticipated. Discussions on this issue are continuing, but Cabinet should be advised that some further consideration of the issue may be required.
- 6.3 Given the complexity of the works and the need to procure equipment with adequate lead times, the earliest period during which works to the leisure centre could be undertaken would be the final quarter of 2005. This would not be good timing for users of the facility. To provide the longest reasonable period to manage the issues for customers it is now proposed that the works should take place in the first half of 2006. The specific period will be set following further discussions on programming issues. Contract preparation followed by a tender process for the works will, however, proceed as soon as possible to enable specialist contractors to schedule their involvement and equipment to be procured.

7 Appointment of Consultants

- 7.1 It will be necessary to appoint consultants to provide professional services in respect of the works. The proposed appointments and the terms of those appointments are dealt with in Exempt Appendix 3.

8 Risk Management Issues

- 8.1 At this stage the prime risk management issues to consider are those related to the timing of the works. Putting works back to 2006 will mean an additional period operating with equipment that is due for replacement and becoming difficult to service. Advice from Property Services and external consultants, as well as from the management contractor which has staff with considerable expertise, is that the operation of the Centre should not be compromised by the delay. A failure of a boiler or filter vessel does increase in possibility over time, but would not be catastrophic and the Centre could continue to operate safely until refurbishment once suitable adjustments had been made. Some inconvenience might be caused but not a major financial loss.

8.2 There is no item which relates specifically to the health and safety of staff or visitors which is knowingly being left unattended to in an unsafe condition.

9 Next Steps

9.1 Following the decisions of Cabinet in relation to this report a detailed project plan will be completed and all relevant parts of the Council's Project Management System put in place. A strategy for providing information to Centre users and for assisting regular hirers to find temporary alternative accommodation will be put in place with DC Leisure.

9.2 Following an appointment in accordance with Appendix 3, the proposed Lead Consultants will progress a tendering process the results of which will be reported to Cabinet. Subject to Cabinet approval of "other improvement works" and finalisation of their contract, the architects named in Appendix 3 will be appointed to progress defined building works specifications etc.

9.3 Discussions with DC Leisure regarding loss of income will continue and the position reported back to Cabinet.

OTHER CONSIDERATIONS:

CORPORATE STRATEGY (RELEVANCE TO):

10 Investing in cultural and sporting activities is one of the Council's six main corporate priorities. The River Park Leisure Centre is the Council's most heavily used sports facility and is integral to the service provided to the community. It produces health and social inclusion benefits as well as enhancing opportunities for young people and families. Were the essential works not be undertaken the Centre would eventually close.

RESOURCE IMPLICATIONS:

11 These are set out in the report. There is existing provision in the capital programme of £1.1 million which will cover the cost of the 'essential works' to the Centre which are estimated in the report at £1.05million. The increase in the cost estimate is a result of the addition of fees to the programme (which was anticipated) and the movement of certain works from 'necessary' to essential'. Cabinet is asked to consider whether the total capital provision should be increased by £300,000 to £1.4 million for the reasons set out in the report to allow for additional expenditure of £330,000 on improvement works. The Council has sufficient capital resources to enable it to do this but Cabinet is reminded that those resources are finite and the allocation to one project reduces the potential to fund other priorities. The loss of income for annual interest on the additional £300,000 would be approximately £15,000 per annum.

BACKGROUND DOCUMENTS:

River Park Leisure Centre Scoping Report – October 2004

APPENDICES:

Appendix 1 - Cost Plan
Appendix 2 – Capital Project Appraisal Form
Exempt Appendix 3 – Appointment of Consultants

	Essential Works	Estimate 20.04.04	Validated Cost (November '04)	Revised Cost Plan	Comments
1	Replace plate heat exchangers	15,000	15,000	15,000	
2	Replace pool filters (including compressor) & cast iron pipework	160,000	160,000	160,000	
3	Replace Fire Dampers in pool vent system	49,000	49,000	49,000	
4	Replace Boilers	350,000	260,000	260,000	
5	Replace CHP unit and upgrade PFC	Included in item 4	90,000	90,000	Unit is not currently functioning
6	Replace cast iron pool pipework	30,000	15,000	15,000	
7	Replace copper pipework	6,000	10,000	10,000	
8	New roof access	4,500	4,500	4,500	
9	Partial Rewire	Not Priced	Prov Sum 10,000	10,000	
10	DDA Works	Not Priced	Prov Sum 50,000	50,000	Estimated amount for various works
11	Replace pool hall air handling unit	115,000	115,000	115,000	
12	Professional Fees	Not included	175,000	175,000	Includes contract management & clerk of works
	Total	729,500		953,500	
	Contingency @10%			95,300	
	Sub-Total			1,048,850	
	Improvement Works				
13	Remove Flume; install alternative water feature	34,000	N/A	34,000	
14	Retile wetside changing rooms	57,000	N/A	57,000	
15	Upgrade shower and toilet areas in wetside changing rooms	15,000	N/A	15,000	
16	Refurbish dryside changing rooms	50,000	N/A	50,000	
17	Refurbish bar and second floor toilets	34,000	N/A	34,000	
18	Upgrade ventilation in wetside Female Changing	25,000	25,000	25,000	
19	Replace valves on AHUs	6,000	6,000	6,000	
20	Replace main hall light fittings	12,000	12,000	12,000	
21	Upgrade CCTV system	9,500	9,500	9,500	
22	Upgrade/Extend Building Management System	Not included	8,000	8,000	
23	Fix leaks in Admin Block/Ocean Adventure	50,000	Prov Sum 50,000	50,000	Cause of leaks has proved hard to identify
	Total	292,500		300,500	
	Contingency @ 10%			30,500	
	Sub-Total			330,500	
	Total of Essential and Improvement Works			1,379,350	

Additional Works to be included only if budget would not increase					
25	Replace dryside lockers	16,000	N/A	16,000	
26	Creche Ventilation	1,000	Prov Sum	1,000	
28	Replace artificial turf pitch carpet	40,000	N/A	40,000	
29	Front Entrance Canopy & Dance Studio storeroom	75,000	N/A	75,000	
30	Extend Grey Water Recycling System	Not Identified	3,000	3,000	