

<b>Key Decision Required:</b>	<b>YES</b>	<b>In the Forward Plan:</b>	<b>NO – GENERAL EXCEPTION PROCEDURE USED</b>
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## CABINET

26 MAY 2017

### JOINT REPORT OF THE RESOURCES & CORPORATE SERVICES PORTFOLIO HOLDER & THE LEISURE AND PARTNERSHIPS PORTFOLIO HOLDER

#### **A.3 CLACTON LEISURE CENTRE VENTILATION SYSTEM**

(Report prepared by Michael Carran)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

To request additional budgetary provision to ensure sufficient funding for the replacement of the Pool Hall Ventilation system at Clacton Leisure Centre (CLC).

##### **EXECUTIVE SUMMARY**

- The sum of £50,000 was originally included in the capital programme to replace the Pool Hall Ventilation System at CLC, which is now beyond its economic lifecycle. After further exploratory works by the mechanical consultant appointed to oversee the project on behalf of the Council, an additional £120,000 was allocated, as the original budget was deemed substantially insufficient.
- A tender exercise was carried out in February 2017 with five contractors submitting quotations. An exercise in value engineering was subsequently undertaken by the consultant, with the cheapest quote being reduced to £199,539, from an original submission of £264,112. The reason for the variance from the original budget is an underestimation of the physical mechanical costs from the consultant's projections and the added cost of keeping the facility open throughout the works.
- After taking into account the remaining professional fees payable to the mechanical consultant of £9,518, there is currently a project shortfall of £56,636. This balance is required to allow a works order to be placed and commence this essential installation.
- As the current system has deteriorated significantly, a temporary unit has been installed to ensure satisfactory environmental conditions are maintained in the pool hall until a new unit is installed. This temporary solution is not ideal and has been the subject of some complaints during cold weather.

##### **RECOMMENDATION(S)**

**That an additional £56,640 is allocated to the capital budget for the replacement of the Pool Hall Ventilation System at CLC, with delegation given to the Head of Finance, Revenues and Benefits to make the necessary reallocation of funding within the existing capital programme.**

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

The installation of this ventilation system will assist the Council in its objective to enhance its Leisure Facilities and achieve affordable excellence throughout its services.

### FINANCE, OTHER RESOURCES AND RISK

#### Finance and other resources

The following table sets out the lowest tender figure submitted, together with the amount deducted after the consultant's value engineering exercise. This has resulted in the figure of £199,539.01.

	<b>Contractor's Submission</b>
Tender Figure	264,111.61
After value engineering	-64,572.60
<b>Revised Figure</b>	<b>199,539.01</b>

It was originally considered that works would be required to the pool hall roof in order to install the new unit, but after intrusive investigations, this is no longer considered necessary at this time. This accounts for the majority of the value engineering figure.

Further to the tender sum payable to the contractor, there will be a total of £9,518 in professional fees to the Mechanical Consultant who will oversee the works.

The additional budget required to complete the necessary works is £56,640. It is proposed to meet this cost by reallocating funding already within the capital programme which was originally set aside as a contingent sum for a capital project that was completed several years ago but where the final position has only just been concluded.

#### Risk

If the ventilation system is not replaced, the environmental conditions in the pool hall will be unsuitable for customer access.

### LEGAL

The proposals are within the Council's powers. The Request for allocation of additional budget is in accordance with the Budget and Policy Framework, as set out in Part 5 of the Council's Constitution

### OTHER IMPLICATIONS

**Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.**

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

#### Area or Ward Affected

St. Paul's

**PART 3 – SUPPORTING INFORMATION**

**BACKGROUND**

It has been identified that the Pool Hall ventilation system at Clacton Leisure Centre is beyond its economic lifecycle. Due to its age, parts can no longer be sourced for the unit and repair is no longer viable or possible. In order to guard against poor environment conditions before the new unit is in place, a temporary/portable system has been installed in the Pool Hall.

Five contractors tendered for this project and a full analysis has been undertaken by the appointed Mechanical Consultant. All the contractors submitting proposals are considered to have a strong track record and suitable to carry out the works. There will be a six week lead in period for the works to commence and the replacement is projected to take a further six weeks to complete.

Clacton Leisure Centre attracts approximately 420,000 visits per year and the swimming pool accounts for an estimated £200k per year in income generated through lessons and casual use. The work to replace the ventilation system will take place without closing CLC, in order to protect the income stream and provide continuity of service to our customers. Although this will incorporate an additional capital cost, any closure carries a risk of losing income in the short term and customers being displaced over a much longer term.

**BACKGROUND PAPERS FOR THE DECISION**

None.

**APPENDICES**

None