

EAST RENFREWSHIRE COUNCILCABINET30 November 2017Report by Director of EnvironmentBARRHEAD FOUNDRY REFURBISHMENT 2017/18**PURPOSE OF REPORT**

1. To update the Cabinet with regard to the refurbishment works to Barrhead Foundry and recommend an increase to the previously agreed budget allocation.

RECOMMENDATIONS

2. The Cabinet is asked to increase the provision for the Barrhead Foundry by £246,000 in the General Fund Capital Plan to cover the increased contract costs and also the proposed works at Neilston pool to be phased as appropriate over 2017/18 and 2018/19.

BACKGROUND AND REPORT

3. The 2017/18 General Fund Capital Plan includes provision of £2.155million to fund a refurbishment of the existing Barrhead Foundry sports centre. This provision covers the main construction works, enabling works and professional fees. The works include external repairs and upgrades to roof fabric; internal refurbishment of poolside area and changing facilities in both the ground floor wet side and 1st floor gym changing areas, together with major mechanical plant upgrades in both 1st floor and basement plant rooms.

4. Following a competitive tender process for the refurbishment works the successful tender (£2.616 million) was substantially in excess of the budgeted amount. Therefore a robust value engineering exercise was undertaken. The value engineering exercise resulted in the costs being decreased to £2.340 million but despite this the final costs are still in excess of the capital estimate, by a sum of £185,000.

5. Following discussions with Property and Technical Services in October 2017, the Leisure Trust are in agreement with the outcome of the value engineering exercise as detailed above, with the contract now reprogrammed to commence in early January 2018 should approval for additional funding be granted.

6. The second phase of the Foundry refurbishment is therefore scheduled to begin early 2018 and run for a period of 7 months.

7. During these works the swimming pool will close completely for a period of at least 30 weeks. The risk of revenue and customer loss from swimming lessons income is significant. Plans are therefore in place to relocate those customers who are amenable to alternative programmes in Neilston. The Trust is aiming to achieve a swimming lesson throughput of around 50 children per half hour at Neilston. During swimming lessons boys aged 8 or under tend to change under the supervision of their mothers in the female changing rooms. However, there are only three available showers.

8. In order to address these issues the following measures are proposed;

Alteration of existing laundry, shower area and toilet off existing gym and swimming pool. Upgrading to form:-

- 3 x new cubicled changing area, with lockers,
- separate laundry store/service cupboard,
- open changing/shower area with cubicled showers (3no) and lockers
- new disabled wc, changing and shower room, with locker.
- adjacent corridor upgrade.

9. These works which amount to around £61,000 were not included in the original capital estimate for the Foundry refurbishment. However, financial provision has been made for future improvements to the Neilston Leisure Centre Phase 2 of £340,000 in 2019/20 in the capital programme. It is proposed therefore that £61,000 of this funding be brought forward to 2017/18 to enable these works.

10. This together with the excess of the main tender contract would see the capital estimate exceeded by a total amount of £246,000.

11. Financial regulations state:

“After Council approval of the Capital Plans, and subject to all other requirements of the Financial Regulations and Standing Orders Relating to Contracts, departments can proceed with projects unless:

- The tender cost or revised estimate exceeds the provision in the Capital Estimates, or
- The nature of the project has changed substantially from that originally envisaged

In either case, further approval is necessary from the Cabinet.”

FINANCE AND EFFICIENCY

12. The savings identified through the value engineering exercise have been achieved without any impact to the core desired outcomes of the project i.e. external re-roofing to the affected areas of the works, with internal refurbishment of the poolside area, changing, toilet and shower facilities in both the 1st floor gym changing and ground floor wet changing areas together with major mechanical plant upgrade in both the 1st floor and basement plant areas.

13. The works covered by the £61,000 referred to above can be funded by bringing forward existing provision to 2017/18.

14. The Head of Accountancy has confirmed that the remaining shortfall of £185,000 can be met from savings achieved elsewhere in the capital programme.

CONSULTATION AND PARTNERSHIP WORKING

15. Consultation has taken place between Property and Technical Services and Accountancy staff.

16. Property and Technical Services will ensure that close partnership working will take place to ensure that the programmed works will be handed over to the Leisure Trust in accordance with the agreed re-programme.

IMPLICATIONS OF THE PROPOSALS

17. There are no IT, staffing, equality or other implications associated with this report.

CONCLUSIONS

18. The actions proposed are considered to be the most efficient and cost effective procurement of the works which will complement the new front extension to Barrhead Foundry.

RECOMMENDATIONS

19. The Cabinet is asked to increase the provision for the Barrhead Foundry by £246,000 in the General Fund Capital Plan to cover the increased contract costs and also the proposed works at Neilston pool to be phased as appropriate over 2017/18 and 2018/19.

Director of Environment

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