



## CABINET REPORT

<b>Report Title</b>	<b>Capital Update for Leisure – Fixed plant and machinery renewal for Danes Camp, Mounts Baths and Lings Forum</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	14 <sup>th</sup> October 2020
<b>Key Decision:</b>	Yes
<b>Within Policy:</b>	No
<b>Policy Document:</b>	No
<b>Service Area:</b>	Economy & Assets
<b>Accountable Cabinet Member:</b>	Cllr Tim Hadland, Member for Regeneration and Enterprise
<b>Ward(s)</b>	Castle Ward, East Hunsbury Ward and Brookside Ward

### 1. Purpose

- 1.1 This report updates Cabinet on the progress of developing specifications for works to the fixed plant, machinery and associated building elements of Danes Camp, Mounts Baths and Lings Forum and seeks delegated authority to enter into contracts with suitable skilled contractors to undertake the required works.

### 2. Recommendations

It is recommended that:

- 2.1 Cabinet delegates authority to the Acting Director of Economy and Assets, in consultation with the Borough Secretary, Chief Finance Officer and Cabinet Member for Regeneration and Enterprise to appoint the contractors for the work to the fixed plant, machinery and associated building elements of Danes Camp, Mounts Baths and Lings Forum following the completion of the tender processes.

- 2.2 Cabinet approves a legal budget of up to a maximum of £25,000 if deemed necessary by the Acting Director of Economy and Assets in consultation with and the approval of the Borough Secretary to procure external legal expertise in construction in connection with the works proposed herein to the Leisure Centres.

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 On 27<sup>th</sup> May 2020 a report was taken to Cabinet titled Capital Investment – Plant & Machinery (Leisure) which set out the condition of the fixed plant and machinery at three sites, Upper Mounts Baths, Danes Camp Leisure Centre.
- 3.1.2 The above report set out how the fabric and mechanical and electrical (M&E) plant and some of this equipment has reached the end of its economic life, requiring urgent replacement. Added to this, all the boilers at Upper Mounts Baths have failed and a temporary repair has been provided to ensure the site remains operational. This is not sustainable, and delays to major works will result in further plant failures, resulting in the closure of the facilities.
- 3.1.3 Should the tenant not be able to operate as a result of our inability to maintain our repairing obligation under the lease, and therefore return the properties to us, the Council will be left with three substantial vacant properties to secure. In the current market the Council are unlikely to get another operator for the foreseeable future, and the Council would need to offer substantial financial incentives to attract an operator, these incentives are likely to be much more than the cost of repairs currently under consideration.
- 3.1.4 The empty property holding costs would be significant, closed premises being at risk of antisocial behaviour and vandalism. Significant costs would be incurred to secure the site and comply with insurance regulations (likely to include draining the pool(s) with scaffold placed into the drained pool to mitigate injuries from unauthorised access and provide structural stability to the pool), empty property business rates (excepting one is a listed building and therefore subject to concession). Closure would result in no affordable leisure facilities for the community.
- 3.1.5 The above report in May 2020 sought approval from Cabinet to approve a budget of £1.8m to complete the urgent repairs, Cabinet approved the recommendations within this report (May 2020).
- 3.1.6 Following this report a working group of officers from Northampton Borough Council (The Council) and Northampton Leisure Trust (The Trust) was established to review the existing reports on the plant and machinery at the Leisure Centres to understand what further work was required to develop a full specification prior to preparing the tender documentation.
- 3.1.7 The Council have agreed a scope and appointed a contractor (CJR) to act as the building services consultants for the project who will undertake the following services on the project:
- Specifications development and contractor tender package

- Tender analysis
- Contractor/project management
- Cost appraisals; and
- Full RIBA stage 2 to RIBA stage 7 end to end process.

3.1.8 CJR were appointed through a direct appointment from a framework to enable the work to commence as soon as possible. The first stages of their work has been reviewing the reports already undertaken, identifying any gaps and performing tests to inform the development of the specifications.

3.1.9 To tender the works the various elements will be broken down into packages to enable the highest priority works to begin as soon as possible. This will enable the urgent works to commence sooner as once the early packages are agreed then these can be put out to tender immediately, as opposed to waiting on the full specification to be complete and then having a main contractor appointed to oversee each element.

3.1.10 This approach will require more management to ensure that each contractor has a clear programme and the relationships between each area are handled appropriately. This work is included within the scope of the CJR commission who will manage this process on the Council's behalf.

3.1.11 The packages will be broken down into discrete tender packages as follows: Urgent works, Boilers, Air Handling and Ventilation, Heat recovery and Electrical.

3.1.12 The first tender process for the Urgent works will commence in October with construction taking place in November and December. These works will focus on the replacement of the mounts boilers which have failed and allowing for the on-hire boilers to be removed. The further works will then be tendered in November and December with all the works aiming to be completed by May 2021.

3.1.13 The most extensive works are planned to the Mounts Baths, this is due to the age of the plant and equipment and the listed status adding to the complexity of the works in this building. Below is the work currently set out to be undertaken at the Mounts Baths (these works may alter in as the specification is finalised):

#### **Mounts Baths**

New heating plant

Combined Heat Power (CHP) installation

Existing boiler removal (note asbestos survey required).

Air handling plant replacement/upgrade

Local comfort cooling

Heat recovery installations

Controls and Building Management System

Training pool heat exchanger replacement

Training pool supply and suction pipework and valve replacement (diver required to plug in pool)

Plunge pool new heating, circulation and filtration (Note Grade II Listed)

- Plunge pool lighting upgrade
- Main pool water sampling control link to current pool water circulator
- Main pool lighting replacement
- Power distribution review and phase balancing (data logging loads)
- Sub distribution boards upgrade/replacement

3.1.14 Danes Camp will then have the next most significant works. Below is the work currently set out to be undertaken at Danes Camp (these works may alter in as the specification is finalised):

#### **Danes camp**

- Main pool Trane Air Handling Units (AHU) refurbishment to include Plug fans
- Install CHP
- HRU installations to replace general AHUs
- Replace Cold Water Supply (CWS) tanks, reducing stored capacity making space for CHP
- Replace Hot Water Storage (HWS) with high recovery units
- Replace /refurbish low pressure circulating pumps with electronic
- Replace HW circulating pumps
- AV drives to pool circulating pumps, link with pool water sampling management system
- Replace lighting throughout including car park bollards and column lighting

3.1.15 Given the plans to deliver a new health and wellbeing hub at Weston Favell in the next 5 years, improvements to this site will be lighter than the other two sites. Any works to take place at Lings will either need to be essential to keep the centre open or have a pay back of 5 years or less. Below is the work currently set out to be undertaken at Lings (these works may alter in as the specification is finalised):

#### **Lings Forum Considering 5 year Pay back and remaining life cycle and failure risk**

- Replace boiler No. 2 gas burner to include full boiler inspection and service
- Replace HW storage system including connection to recently installed Plastic moulded CW tank allowing for CW booster set and tank level alarms
- Replace Hot Water Supply circulating pumps
- Replace/ refurbish heating circulating pumps

### **3.2 Issues**

3.2.1 There will need to be careful consideration and high levels of engagement with Northampton Leisure Trust (NLT) over the timings of the works. There is a constantly evolving situation with regards to business operations as a result of Covid 19, all care will be taken to minimise down time and disruption to the NLT as they look to open the leisure centres following their closures.

3.2.2 With a range of packages rather than using a principal contractor additional consideration will need to be given around the safe working conditions in relation to the Covid secure guidelines. The Project Manager will need to manage the flows of contractors around the site to ensure compliance with the latest guidance. The Council will ensure this is appropriately managed through the project controls and on site meetings to ensure compliance.

### **3.3 Choices (Options)**

#### **3.3.1 Option 1 – Do nothing**

This option is not recommended as current plant and equipment in the leisure centres is close to failure. If the machinery was to fail, then it would be likely that the centres would not be able to operate and these would be returned to NBC, having lost the client base and not being viable in their own right.

#### **3.3.2 Option 2 – Undertake works to just 1 or 2 of the leisure centres**

This option is not recommended as all three of the leisure centres have serious issues that if left unaddressed would lead to significant further cost in the future. As stated in the above option, if a leisure centre was to fail then this would have substantial negative financial implications for the council

#### **3.3.3 Option 3 – Undertake the renewal of the Plant and Equipment as set out in this report**

This option is recommended as it would remove the highest risks from the centres and enable them to be sustainable into the future. This option is in line with the previously agreed recommendation from the Cabinet Report 27<sup>th</sup> May 2020.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

4.1.1 This report does not set policies nor have implications on existing policies.

### **4.2 Resources and Risk**

4.2.1 There is a capped budget of £1,800,000 which includes the costs for the Plant and Equipment works, Contractor Prelims, Provisional Sums, Project Management and Contingencies.

4.2.2 The approximate split across the three leisure centres is estimated to be as follows: Mounts Baths – 60%, Danes Camp - 30%, Lings - 10% (figures rounded to nearest 10%)

4.2.3 Capital Funding of £1.8m was approved in the 27<sup>th</sup> May 2020 report titled Capital Investment – Plant & Machinery (Leisure), these works will not exceed this value with costs being fully tested ahead of procurement and any cost pressures needing to be met through Value Engineering once the project has commenced.

### **4.3 Legal**

4.3.1 It is recommended that Legal services be involved in advising the Acting Director of Economy and Assets on the procurement process and contract documents required to support the works to be undertaken at the aforementioned Leisure Centres, and to procure on behalf of the Acting Director of Economy and Assets external expert legal advice in the area of construction if required.

4.3.2 It is recommended that should the high cost level estimates, identified at paragraph 4.2.1 above be exceeded and not mitigated through value engineering as proposed at paragraph 4.2.3 or the legal budget requested at paragraph 2.2. not be sufficient to meet the Council's needs then a further report should be provided to Cabinet which identifies why costs have increased. This will ensure that the Council will then have the opportunity to reconsider its decision in accordance with the Council's duty to consider whether or not the works considered above remain a proper utilisation of available Council resources.

#### **4.4 Equality and Health**

4.4.1 The replacement of plant and equipment will ensure that the works improve ongoing servicing access arrangements and that the outputs contribute to providing a better environment for all users.

#### **4.5 Consultees (Internal and External)**

4.5.1 The following have been consulted:

- Building Control Manager
- Senior Planning Services Officer

#### **4.6 How the Proposals deliver Priority Outcomes**

4.6.1 Exceptional services:

- Make the best use of our Assets
- Provide value for money

4.6.2 A stronger Economy

- Protect, enhance and promote our heritage

#### **4.7 Environmental Implications (including climate change issues)**

4.7.1 The new plant and equipment will significantly reduce running costs and CO2 emissions.

#### **4.8 Other Implications**

4.8.1 There are no implications other than those covered in this report.

### **5. Background Papers**

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N/A

### **6. Next Steps**

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6.1.1 Finalise urgent works tender package and commence procurement

**Kevin Langley**  
**Acting Director of Economic and Assets**