

Title of report: Community Improvement Project relating to Wilton Sports Centre, Ross-on-Wye.

Decision maker: Cabinet member commissioning, procurement and assets.

Decision date: Friday, 12 February 2021

Report by: Senior Estate Manager

Classification

Open

Decision type

Non-key

Wards affected

Ross West

Purpose

To approve the granting of £173k to the Ross Sports Centre community interest group (CIC) to undertake the works required to the pavilion as a result of flooding in 2020.

The amount is what has been agreed with the insurance brokers and is appropriate for the costs of the insured element of the reinstatement works to the building. The council requires the CIC to complete all works to the required regulatory and statutory requirements.

Currently the whole site is made up of four separate leases, in order to ensure that the CIC can obtain maximum amounts of external funding it would be appropriate to surrender the existing leases and create one lease that demonstrates the multifunctional sports use of the site.

Recommendation(s)

That:

- a) **the sum of £173k is granted to the CIC to undertake the works in phases, subject to the CIC providing satisfactory evidence that demonstrates compliance with regulatory and statutory requirements as per an approved specification**
- b) **the four leases on the site are amalgamated into one lease up to a period of 35 years; and**
- c) **delegated authority be given to the director of economy and place to take all operational decisions necessary to implement the above recommendations.**

Alternative options

1. Do nothing; this is not recommended as this will leave the CIC with no building from which to operate its sporting activities on the site and this may result in the liquidation of the CIC and the building returning to the council.
2. The council undertakes reinstatement works; the council does not have the necessary resources in place to be able to undertake the work in the timescale that is required.
3. The insurance provider undertakes the works; there is some work required that is not covered by the insurance provision and by the CIC undertaking the work, they have had the option of obtaining external funding to enhance work over and above basic reinstatement.

Key considerations

4. In February 2020, the pavilion building was hit by flooding and rendered unusable. The building is insured through the council's insurance provider and the premium recharged back to the tenant. The contractors that were appointed by the insurer stripped out the building and undertook the necessary surveys to identify the scope and costs of reinstatement.
5. The pavilion was let to the CIC in 2012 for a term of 25 years on a full repairing lease. The reinstatement would be covered by the insurance but following the surveys, compliance works were identified that would not be funded by insurance and ultimately are the responsibility of the CIC.
6. The surveys identified additional regulatory compliance work of approximately £100k that needed to be completed and were not part of the insurance reinstatement works. Other works to the drainage and roof were also identified at an approximate cost of £100k, although these are not considered essential and can be completed by the CIC at a later date as funds allow.
7. As a result rather than the insurance provider completing the reinstatement works, the council would take a negotiated settlement sum to cover the reinstatement and grant this money to the CIC. The intention being that the CIC would be able to use community skills and labour together with local contractors to complete the works required.
8. The condition of the grant agreement would be that the works would be undertaken by contractors that are competent and qualified. All works would adhere to the relevant health and safety requirements. The sports club have put in place a project team consisting of a principal design; a Construction (Design and Management) (CDM) co-ordinator; and a principal contractor; the project team are made up of the directors of the CIC and there is a project manager in place. The majority of the project team have construction experience.
9. This proposal would also provide the CIC with an opportunity to improve and enhance the facilities beyond basic reinstatement. Once completed this would improve the facilities and the CIC can increase its revenue stream. The proposed specification and additional flood defence funding means that the opening doors in the building will be upgraded to resist flood water should it rise to the level experienced in February. The materials on the walls and floors are banded and lined, so should flood water enter the building in the future, the amount of damage will be minimised. The materials will also keep ongoing maintenance costs to a minimum.
10. With the granting of the monies for the insured element of the reinstatement works, the CIC have the community support and a project team to be able to undertake all of the essential works as well as making enhanced improvements to the building through the use of external funding.
11. The revised lease arrangements will ensure that the CIC are in the best possible place to attract future external funding.

12. The council will put in place three yearly inspections of the property to ensure that the CIC are complying with all of the terms contained in the lease.

Community impact

13. The CIC is now made up of members from the Football Club (450 playing members), Cricket Club (50 playing members), Petanque Club (50 playing members) and Park Run (up to 30 participants). Alongside these regular users they have many accompanying spectators plus regular dog walkers, families exercising and runners using their grounds and facilities. In addition before the flooding event, many other community events were held in the building contributing to the overall income of the group

Environmental Impact

14. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
15. Whilst this is a decision to refurbish and reopen an existing asset and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy. By the local community group employing local contractors, this will reduce the needs of travel.
16. The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management.
17. The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

Equality duty

18. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
19. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. The CIC's appointed contractor and contract administrator are both aware of their responsibilities under the Equality Act.
20. The building has never been fully accessible and these works are designed to remedy the flood damage only, and not to improve accessibility. The pavilion building sited on a flood plain and, as such, cannot be made fully accessible to modern standards. Whilst funding such a building is not in line with our Equality Policy, the alternative is to have no public facility at all, as the cost of an accessible building would be prohibitive.
21. As part of the external funding provided for flood resilience measures, this does include the provision to replace the main front door. The door will be 1400mm wide and have a low threshold which will be suitable for all non-ambulant users.
22. The proposed works also include the provision for male and female toilets and changing facilities. The works have also allowed space for the installation of a fully accessible toilet and an access ramp. Although these cannot be provided at the outset with this current funding, the CIC have every intention of completing those works when funding allows.

Resource implications

23. The CIC will procure the works directly and estimate that the total cost of the reinstatement works are £280k including the VAT. The CIC are not registered for VAT so this is an additional expense. In addition to the £173k (including the VAT) agreed insurance monies, the CIC have secured an additional £47k in external funding for some flood improvement; works to the kitchen and towards the changing rooms. This will leave a shortfall of £60k, the CIC are going to phase the works, undertaking only those which are essential so other funding streams can be identified for the difference. In order for the CIC to operate, completed works will need to adhere to the necessary standards.
24. The granting of the insurance monies will be subject to an approved specification of works and confirmation that these works adhere to the necessary regulatory and statutory requirements and the CIC will be required to produce evidence of this. The

compliance activities include the upgrading of the fire alarm system, electrical and a small amount of mechanical. This is a requirement of the council and will also be a requirement to comply with building regulations.

25. Under the terms of the current lease the council insures the building and the premium is recharged back to the tenant. The council's insurance has renewed the insurance of the Ross Sports Centre building for this year. The council insures on a block policy and as a result of the flooding event that affected large parts of the county, insurance premiums have increased across the property portfolio.

Legal implications

26. In addition to any obligations in the leases for the use of insurance monies for the reinstatement of the building, the council also has the power to make grants under s137 and s137A of the Local Government 1972 and s1 of the Localism Act 2011 to voluntary organisations.
27. The amalgamation of the current leases into a single lease will be subject to investigation of the feasibility of doing so particularly in respect of any third party rights which may exist.

Risk management

28. There is a risk that the site will flood again, the sports club have obtained additional grant funding to undertake some flood preventative works.
29. There is a risk that the works will not conform to a specified standard, this is being mitigated by the specifications being approved and signed off by a suitably qualified person and the compliance certificates will be required at the completion of the contract.
30. There is a risk that the monies provided will not be enough to fund the works. This has been mitigated by the sports club having a qualified project team in place and all works are costed. Some works do not need to be done now and can be further funded by grants.
31. There is a risk that the CIC will not maintain the building in the future. This has been mitigated by putting in a three yearly programme of inspections to ensure that the terms of the lease are met.

Consultees

32. Consultation has been undertaken with the cabinet member for corporate and finance and the cabinet member for commissioning, procurement and assets.

33. The ward member has been involved in the discussions throughout.

Appendices

None

Background papers

None identified