

<b>Meeting:</b>	<b>Council</b>
<b>Meeting date:</b>	<b>Friday 9 October 2020</b>
<b>Title of report:</b>	<b>Hereford leisure pool re-opening</b>
<b>Report by:</b>	<b>Cabinet Member Commissioning, Procurement and Assets</b>

## **Classification**

Open

## **Decision type**

Budget and Policy Framework

## **Wards affected**

(All Wards);

## **Purpose**

To approve the addition of a new capital budget to ensure the swift reopening of the Hereford leisure pool that has been closed since suffering from flooding in October 2019.

The majority of reinstatement work costs are funded from insurance cover however to open the centre to the public uninsured works require funding. The funding of these costs is proposed to be from a combination of existing and new capital budget, funded from prudential borrowing.

## **Recommendation(s)**

**That:**

- (a) To approve the addition of a new capital budget to fund un-insured regulatory and essential works required at the Hereford leisure pool. To be funded by existing budgets wherever possible and, failing that, new prudential borrowing not expected to exceed £505k.**

## **Alternative options**

1. To not approve the decision at this time. Any delay in approval would result in the inability to complete the required works in tandem with the insurance funded works. This would result in additional time and cost.
2. To not fund the uninsured works required. The council could decide not to fund the uninsured works required, the contractors on site are able to complete the insured works and return the site to the council, as landlord, however the building could not re-open. To re-open the building the council would then need to scope and procure the essential and regulatory works that are needed. This would result in additional cost, time and delay.
3. To look at the longer term position of the pool. This report is to re-open a popular facility in a timely manner. The council could decide not to do this and instead seek an alternative site. This is expected to take a substantial time with no facility being available during that time. It would be preferable to approve this report and review the location of the pool as part of the core strategy and leisure strategy developments.

## Key considerations

4. Hereford leisure pool is a council owned asset with Halo, as tenant, responsible for the provision of leisure facilities. In October 2019 the Hereford leisure pool suffered a flood event that resulted in the electricity supply to the on-site water pumps failing. The site has remained closed whilst insurance funded works took place to reinstate the electricity supply however a subsequent flooding event in February 2020 extended the damage to the site before these works concluded.
5. A new electrical entry point is now in place and testing is on-going. The damage to the site is substantial and multi-million insurance settlement works are well underway however on site investigations have highlighted a need to spend additional funds on uninsured works to enable a certified building to be re-opened for public use.
6. The works required are not covered by insurance due to the site investigations discovering legacy remedial works that require addressing. Due to the nature of the uninsured works required the council has appointed a quantity surveyor and mechanical and electrical engineer to verify that the works are required, correctly allocated and appropriately costed. This works includes obtaining competitive quotes.
7. It would be beneficial to complete the uninsured works at the same time as the insured works to save costs, time and duplication. The council is able to do this through utilising an available medium construction related works procurement framework agreement UOW741 Framework Agreement for the Provision of Medium Construction Related Works and Building Refurbishment. This framework complies with our contract procedure rules and allows for a direct award of a contract to the contractor that has already undertaken significant works on the current site.
8. The recommendation is to approve the addition of a new capital budget to fund the works required. The exact value to be agreed following confirmation of costs and utilising existing budgets wherever possible, it is expected that prudential borrowing will be required.
9. The site is subject to future flooding however a permanent site pump has been agreed by insurers as a satisfactory mitigation measure. A new electrical entry point (higher than previously sited) and a back-up generator socket to the new pump will ensure flood water is effectively pumped outside of the building as future flooding events occur.

10. This report recommends using the on-site contractor to complete the uninsured works required to reopen the site to the public, this is expected to be before spring 2021.

## Community impact

11. There is a need to re-open the site as quickly as possible to enable county residents to use the Halo facility, this includes the provision of swimming lessons to school children. Whilst the site remains closed a number of physical well-being activities are not being provided.

## Environmental Impact

12. 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.
13. Whilst this is a decision on re-opening 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 wherever possible.

## Equality duty

14. 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.
15. 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. As this is a decision to reinstate previous service provision, we do not believe that it will have an impact on our equality duty.

## Resource implications

16. The regulatory and essential uninsured works required are expected to be in line with the table below:-

Site area	Regulatory works £
Plant room lighting	15,830

Electrical upgrade	169,802
Lightening protection	23,817
Fire alarm replacement	172,697
Plant room flat roof	14,736
Roof anti climb measures	8,358
Concrete repairs	77,000
Roof mounted pipework	22,000
<b>Totals</b>	<b>504,239</b>

17. The actual cost detail continues to be assessed and reviewed however the above is a good indication of the expected contribution required. Work continues in reviewing current budgets to identify underspends that could be redirected to fund this new commitment. However if the above sum requires funding from prudential borrowing the cost of repaying this borrowing in future years would be approximately £31k per annum.
18. The indicative costs exclude site preliminary costs based on the assumption that the works will be carried out on a concurrent basis to the main reinstatement program and overall period. If this was not the case the preliminary costs would be incurred in addition to the costs shown above.

## Legal implications

19. Section 1 of the Localism Act 2011 provides for the council a General Power of Competence, which means that the council has the power to do anything that an individual may do. This power allows the council to both commission the recommended works and, if necessary borrow the money to fund the works. Any borrowing will have to be in accordance with the prudential code on borrowing.
20. The contractor undertaking the insured reinstatement works can be procured directly by the council through an available framework contract for such works and appropriate contractual documentation will be put in place to protect the council's interests in undertaking the additional essential non-insured remediation works.
21. Section 106 of the Local Government Finance Act 1992 precludes a councillor from voting on any recommendation, resolution or other decision which might affect the calculation of the Council's budget, if he or she has an outstanding council tax debt of over two months. If a councillor is present at any meeting at which relevant matters are discussed, he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence.

## Risk management

22. There is a risk of on-going site testing resulting in additional spend being required. This is mitigated by the good progress being made on site and the completion of an independent quantity surveyor cost review of the estimation provided.
23. There remains a risk that the site will flood at future dates. This is mitigated by the installation of an on-site pump coupled with a new electrical entry site and back-up generator plug should that be needed.
24. There is a risk that using the on-site contractor may not provide the best value. The onsite contractor is well regarded and cost estimations provided are subject to an independent quote comparison.

## **Consultees**

25. Consultation on this key decision has been taken with the political groups whom support the recommendations proposed.
26. The true independents support the proposal.
27. The green party support the proposal with it being in clear public interest to re-open this important non-profit community facility that has clear public health benefits.
28. Councillor Kenyon responded as an ungrouped councillor. He supports bringing the swimming pool back online and the measures the council are taking to ensure value for money, also suggesting an upgrade to the slide.

## **Appendices**

None

## **Background papers**

None identified