

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET

Date: 14th October 2020

1. **REPORT TITLE** Jubilee2 Update
- Submitted by:** Executive Director Commercial Development & Economic Growth
- Portfolio:** Leisure, Culture & Heritage
- Ward(s) affected:** All

Purpose of the Report

This report provides Cabinet with an update on the ongoing building defects at Jubilee 2 and the actions being taken to resolve these.

Recommendations

1. That Members note the information and endorse the approach outlined in this report to address the ongoing building defects and agree that further reports be received to update Members on progress made.
2. That the Executive Director Commercial Development & Economic Growth arrange for further survey work to be undertaken to identify any further undiscovered defects.

Reason

The Council made a significant capital investment in providing Jubilee2 and to protect this investment for the benefit of the health and wellbeing of residents of the Borough requires action as set out in this report. Additionally, these actions are required to secure the membership and casual usage to support the recovery strategy for Jubilee2 following the Covid-19 closure.

1.0 **Background**

- 1.1 Jubilee2 was procured on a "Design & Build" basis, although the Council took the design to a fairly advanced stage to mitigate the risk of cost overrun. Following a competitive tender process Morgan Sindall were awarded the Contract to construct Jubilee2, handing the building over to the Council upon practical completion in December 2011. Since opening in 2012 the building has had a number of ongoing issues which have compromised both effective service delivery and reputation. Some have been addressed, but at this stage, 7 years after opening, there are a number of significant defects remaining.
- 1.2 It has been a priority of the current administration to deal with the longstanding building defects. This report addresses three separate defects leaking roofs, defects within the aqua sauna, and the failure of the main pool circulation system.

2.0 **Issues**

- 2.1 Given that the Council entered into a JCT Building contract with Morgan Sindall under seal there is the potential for the Council to call upon the building guarantee to address latent defects for a period of twelve years from the building completion date in December 2011.
- 2.2 Three significant defects have had, and in some instances continue to have, a negative impact on the operation of Jubilee2:
- Roof leaks on the first and second floors of the building;
 - The closure of the Aqua Sauna due to water ingress into the changing village below;
 - The close of the main pool due to a significant loss of water caused by fractured pipework.

Roof Leak

- 2.3 Since the opening of Jubilee2 there have been ongoing issues with roof leaks around the building and numerous attempts to repair these leaks by Morgan Sindall have failed. This has led to staff routinely placing buckets in corridors and stair wells to collect rain water, an action which does little to portray and image of a professional and high quality leisure facility.
- 2.4 After resetting the dialogue with Morgan Sindall concerning this issue they agreed to undertake an inspection of the roof in February 2020. This identified a significant number of issues that need to be addressed due to poor workmanship, and or inadequate building materials being used. As a result, at their cost, they have undertaken the following works to the roof:
- Relined the rainwater gutters;
 - Installed an additional water proof membrane over the existing roofing structure;
 - Increased the size of rain water hoppers to assist with the displacement of persistently heavy rainfall;
 - Replaced and refitted seals between the roofing structure and glazed atrium on the main stair case;
 - Replaced roofing capping's in various locations of the roof.
- 2.5 The above works were completed in September 2020 but, regrettably, some leaks persist. Morgan Sindall have given their commitment they will work with the Council under the terms of the JCT contract to address these and any future issues.

Aqua Sauna

- 2.6 The Aqua Sauna (Health Suite) - which is on the first floor, initially started leaking water into the ground floor changing village in 2014 and from 2016 until earlier this year part of the changing village has been closed to the public. Extensive investigations were undertaken and Morgan Sindall resolved the issue to the satisfaction of the Council.
- 2.7 Closure of the Aqua Sauna has provided an opportunity to consider whether to reinstate the Aqua Sauna as previously, or whether to develop the space for some alternate use. An evaluation of the income generation potential of alternate uses indicate that the preferred solution is to repurpose this space into a Pilate's studio which will enhance the health and wellbeing offer to the residents of the Borough. A specification has been prepared and the tender process for this work is expected to be concluded in the autumn of 2020.

Swimming Pool

2.8 On the 18th August 2020 the Council took the regrettable decision to close the main pool at Jubilee2 due to a significant loss of water. The Council's retained pool contractor (Sterling Hydrotech) attended site and over a period of two days identified that the leak was not associated with the pool filtration system, but they did identify the most likely cause of the leak to be a fracture in the pipework which runs around the side of the pool. Excavation of a section of the pool surround at the deep end of the main pool confirmed this assessment, with two fractured pipes uncovered.

2.9 Morgan Sindall (who completed the original construction of Jubilee2) have taken over the responsibility for the repairs with immediate effect. They have proposed a course of action to rectify the leak in the deep-end of the main pool as well as undertaking investigatory works in other locations around the pool hall including the training pool. At this stage it is envisaged these works will be completed and the pool reopen by the end of October 2020, with any further works to other areas of the pool being completed overnight so that Jubilee2 can remain operational.

3.0 **Proposal**

3.1 Work undertaken to date to establish positive working relationships with Morgan Sindall have allowed progress to be made on a number of the defects and, whilst work is ongoing, the indications are positive that a successful resolution of all apparent issues will be secured.

3.2 Members are therefore invited to note the information set out in this report and endorse the approach outlined in this report to address the ongoing building defects.

3.3 Notwithstanding this, the failure of the main swimming pool in J2 has understandably undermined Cabinet's confidence that further defects in the building remain, but have yet to manifest themselves. As such, through this report, Cabinet direct officers to commission a survey to identify whether other defects exist to ensure that the facility can properly meet the needs of its customers.

4.0 **Reason for Preferred Solution**

4.1 The Council made a significant capital investment in providing Jubilee2 and to protect this investment for the benefit of the health and wellbeing of residents of the Borough maintaining the facilities in good condition and is vital to attract significant footfall to support the recovery stagey for Jubilee2 in light of the Covid-19 pandemic

5.0 **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

5.1 To ensure that high quality services are provided to the Borough's residents whilst continuing to support their health and wellbeing.

6.0 **Legal and Statutory Implications**

6.1 There are clear legal implications in relation to the latent defect in the design and build contract for Jubilee2. The issues are being pursued with appropriate professional advice in relation to negligence and contractual obligations.

7.0 **Equality Impact Assessment**

7.1 There are no equality implications arising directly for the Council as a result of rectifying the building defects.

8.0 **Financial and Resource Implications**

8.1 Members are referred to the confidential appendix of this report for the financial implication in relation to rectifying ongoing building defects.

9.0 **Major Risks**

9.1 In relation to the building latent defects, there are significant financial and reputational risks as service disruption takes place to address them. There are shorter term health and safety risks (in particular slips) which the staff team at Jubilee2 effectively manage through on-going dynamic risk assessment.

10.0 **Key Decision Information**

10.1 This is not a key decision and therefore does not appear on the Council's Forward Plan.

11.0 **Earlier Cabinet/Committee Resolution**

11.1 None

12.0 **List of Appendices**

12.1 None

13.0 **Background Papers**

13.1 None