

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
12 October 2022

Report Title: Kidsgrove Sports Centre – Final Account

Submitted by: Executive Director Commercial Development and Economic Growth

Portfolios: One Council, People & Partnerships

Ward(s) affected: Kidsgrove & Ravenscliffe

Purpose of the Report

To Update Cabinet on the successful completion of the refurbishment and redevelopment of Kidsgrove Sports Centre and Swimming Pool, as agreed in June 2021, and to agree the Final account of the contract with Willmott Dixon Construction for this project.

Recommendation

That Cabinet

- 1. Note the successful completion of the refurbishment and redevelopment of Kidsgrove Sports Centre and Swimming Pool;**
- 2. Note that Kidsgrove Sports Centre has now re-opened to the public and is being run by a Community Interest Organisation;**
- 3. Notes the overall capital cost of the project £7,755,340.05 (which includes additional works as detailed in the report);**
- 4. Notes the additional funding provided to the project by Sport England and the Kidsgrove Sports Centre Community Group;**
- 5. Approves the adjustment of the Capital Programme to reflect the final account figure and the additional cost to the Council of £129,490.05;**
- 6. Notes the work that Willmott Dixon Construction have undertaken in the community as part of their Social Value programme.**

Reasons

This project has now been completed and the final account has been agreed with Willmott Dixon Construction above the previously agreed capital allocation due to on site issues and additional items requested and funding being received from Sport England and The Kidsgrove Sports Centre Community Group. In addition during the construction works the contractor has undertaken community works at Nil cost which are worthy of illustration.

1. **Background**

- 1.1 The refurbishment and redevelopment of Kidsgrove Sports Centre and Swimming Pool has been a corporate priority for several years and its completion has enabled the centre to fully reopen to the public in July 2022 under community management, through the Kidsgrove Sports Centre Community Interest Company (KSC CIO).
- 1.2 Cabinet will recall that in 2018 it was agreed that the closed and almost derelict sports centre building would be transferred from Staffordshire County Council to Newcastle under Lyme Borough Council at Nil cost to NuLBC with a financial contribution from SCC (circa £350k) to be invested in the buildings refurbishment.
- 1.3 A steering group was established with relevant parties (SCC, NuLBC, Sport England and KSC CIO) to discuss various options of how to bring the building back into an economical sustainable use. Various design and refurbishment options were considered and procurement routes all of which indicated that the refurbishment was not going to be an easy or inexpensive exercise. With limited resources, both professional and financial, inside the Council to deliver this project it was deemed appropriate and proportionate that a team of construction professionals should be assembled to take the project forward.
- 1.4 In order to secure a market tested contractor price for the works required and to establish an agreed programme for opening the Centre as soon as possible, the Council secured the services of Willmott Dixon (WDC), a national construction contractor with suitable and extensive experience in Leisure Centre projects across the Country, through the national construction procurement framework SCAPE, to visit the site, assess the CIO specifications and work up a target cost for the scheme.
- 1.5 A series of surveys of the building were undertaken by WDC throughout 2021 which highlighted the near derelict state of the building and the extensive works that would be required to bring the building back into life – in effect the walls and roof supports in many areas were the only things that were salvageable with almost every other element having to be replaced, in addition to a large number of building reinforcement and 'underpinning' of the existing elements – especially around the reinforcement in foundations which needed urgent attention, as well as remedying large scale cracks in concrete work in the pool structure.
- 1.6 By April 2021 a firm contract price, design, scope of works and a programme of works was agreed with WDC for £7.5m, with a handover date of June 2022. This amount contained a large number of provisional sums and risk allowances and whilst a large number of surveys had been undertaken and a large majority of the building having been stripped back to bare elements, all were concerned that more intrusive, careful demolition and exposure of more parts of the building were undertaken, WDC were concerned about what else might be uncovered as major works progressed.
- 1.7 As design works were progressing and surveys / soft strip demolition works were being undertaken the Council were fortunate to secure Town Deal Advance monies and Town Deal grant funds to allow for the initial design and demolition works to be undertaken without the Council having to pay for these elements. The Council was also fortunate enough to also secure Sport England (a long term supporter of the bringing back to use of the facility) grants and these were added to during the construction phase.
- 1.8 It must be noted that large scale value engineering took place with WDC to arrive at an agreeable, but sustainable, design solution that the Council and KSC CIO were both happy with, and this took several months of design solution searching, subcontractor visits and costing exercises to reach the very best price that all were happy to sign up to.

1.9 The construction contract was completed in June 2022 and a month of client mobilisation took place and the facility successfully opened in July 2022. In this time Willmott Dixon and the Council have been finalising the Final Account for the works.

1.10 It has been noted that the completed facility is of great quality and the design and works have been commented upon as looking 'first class' and all new users have been very impressed with the look and feel of the refurbished facility. Professionals have also commented on the outcome of the building as exceeding expectations given the relatively low cost of the works (during the whole exercise the Council was being warned that its cost target was unachievable and that WDC wouldn't be able to deliver on its promises – all of which failed to materialise and the quality build was delivered on time and very close to budget limits).

2. **Final Account Update**

2.1 Since the contract award to Willmott Dixon Construction in 2021 there have been several issues on site that have utilised the provisional sum and contingency amounts within the contract allowances which has resulted in an over spend of £255,340.05 (3.4%).

2.2 Such Items have included:-

- Additional works to the Sports Hall floor screed upon removal of the existing vinyl flooring
- Additional works to steel columns as extent of degradation of steel was revealed as columns exposed
- Additional asbestos discovered in the corridors and under floor screeds
- Replacement of the floor to the foyer
- Learner Pool Cladding
- An improved Pool Pod system for improving accessibility for disabled units requested by KSC CIO and Sport England
- Anti-peep rails to the changing room cubicles
- Resolution of rising damp issues
- Additional Lockers requested by KSC CIO
- Additional spend on the sound system requested by KSC CIO
- Supply and installation of baby change benches requested by KSC CIO
- Soap dispensers, toilet roll holder and paper towel holder requested by KSC CIO
- Additional swim lane rope anchors requested by KSC CIO
- Vending machine water supply and waste requested by KSC CIO
- Additional security measures to doors, including additional access control points requested by KSC CIO

2.3 A factor in this overspend has been down to additional items funded through additional grants received from Sport England and KSC CIO. Sport England have provided an additional £105,000.00 for such items as the Pool Pod, peep rails in the changing cubicles and additional contributory support provided to the project due to increased costs for such items as the sports hall screed replacement, raising damp and the impact on reinforcement / steel columns. KSC CIO have in addition provided an additional £20,850.00 for additional items such as additional control panels and swimming lane rope anchor points.

2.4 The additional funding received totals £125,850.00 resulting in an additional Council contribution of £129,490.05 to be agreed to cover the final account settlement figure with Willmott Dixon Construction. The majority of this element of the overspend is as noted above with the screed replacements in the sports hall and reception area, additional asbestos found in foundations to steel columns and the flooring, additional lockers and an improved sound system.

3. **Social Value Delivered**

3.1 As a commitment to delivering Social Value Willmott Dixon Construction have provided the following during the contract period, free of charge to the end users and the Council:-

- Created 9 new local employment opportunities on the site for labourers, document controllers and site logistics
- Achieved a local spend of 27.95% within 20 miles of the site
- Connected with 150 young people / school children through career fairs, school visits and site visits to highlight construction as a career and challenging misconceptions about working in the construction industry
- Transformation of Red Street Community Centre external spaces via site management personnel, supply chain contractors and suppliers and the community centre staff and users, all contributing to the transformation. Overall over 100 hours of community volunteering was provided.
- Provided 3 young people with valuable work experience (Painting and Decorating, Electrical Services and On Site Surveys) which will help those involved pursue their careers in construction related employment.

3.2 WDC have produced a Social Value report which is appended to this report for reference.

4. **Proposal**

4.1 It is proposed that Council officers and Willmott Dixon Construction finalise the agreement of the Final Account.

5. **Reasons for Proposed Solution**

5.1 The decision will enable the project to be financially completed.

6. **Legal and Statutory Implications**

6.1 There are no legal implications arising from the content of this report

7. **Equality Impact Assessment**

7.1 Leisure has an important contribution to make to the wellbeing of the community. Programmes at the Centre will contribute to economic and social activity; improve the health of residents; bring communities together and introduce an identity; enable groups to represent themselves; develop sport and other skills; and provide opportunities for the voluntary sector and community activity.

8. **Financial and Resource Implications**

8.1 The overall capital cost of the project is £7,755,340.05 compared to the budget set in June 2021 of £7,500,000. The additional costs are detailed under paragraph 2.2 of the report.

8.2 The project funding is detailed below:-

Project Funding	Budget as per Cabinet 09.06.21 £'000	Final Account £'000	Notes
Staffs County Council Contribution	355	355	

Sport England Contribution	100	205	Additional Sport England Funding for Pool Pod
NBC Capital Programme	4,197	4,326	Amount required from NBC
Town Deal Advanced Works	398	398	
Kidsgrove Town Deal Funding	2,450	2,450	
KSC CIO Contribution	0	21	
Total	7,500	7,755	

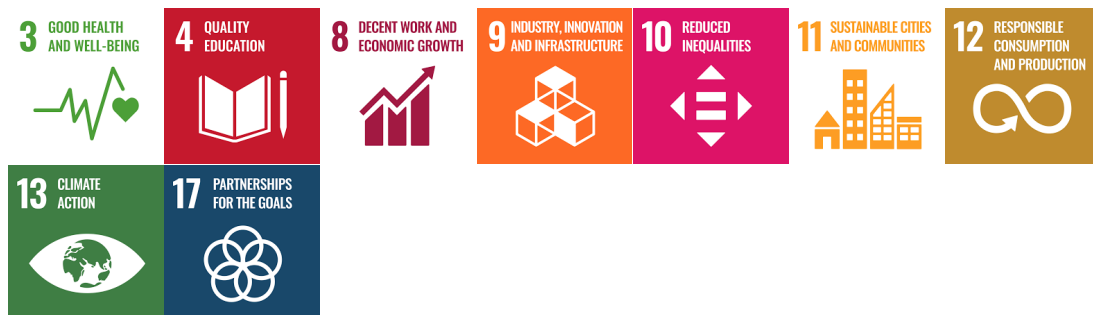
8.3 It should be noted that the April 2020 Cabinet report obtained approval to utilise up to £5.137m of the Council's funds within the Capital Programme. Following the award of the Kidsgrove Town Deal Funding, the Council was able to reduce the amount of funding from the Capital Programme, however due to a number of areas of additional work being required, the Council will be required to allocate a further £129k from the Capital Programme in addition to the £4.197m approved at the June 2021 Cabinet meeting. This will bring the total funding allocation from the Council to £4.326m which is less than the anticipated costs detailed in the April 2020 Cabinet report.

9. Major Risks

9.1 There are no risks arising from this report.

10. UN Sustainable Development Goals (UNSDG)

10.1 This project has intended to enable the updating and re-use of a dilapidated community leisure facility bringing with it sustainability improvements, regeneration and economic benefits as well as social and health benefits associated with leisure provision. In that respect, the project has supported the realisation of the following UNSDG objectives:-



11. Key Decision Information

11.1 This is a Key Decision

12. Earlier Cabinet/Committee Resolutions

12.1 The following previous reports relate:-

- Cabinet 9 June 2021
- Cabinet 17 March 2021
- Cabinet 9 September 2020
- Cabinet 22 April 2020
- Cabinet 18 March 2020
- Cabinet 15 January 2020
- Cabinet 6 November 2019
- Cabinet 16 October 2019

13. **List of Appendices**

13.1 WDC Social Value Report

14. **Background Papers**

14.1 Future High Street Fund Submission July 2020.