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Elections and Members' Services

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Dear Councillor

COUNCIL - WEDNESDAY 10 JULY 2013

I am now able to enclose, for consideration at next Wednesday 10 July 2013 meeting of the Council, the following reports that were unavailable when the agenda was printed.

Agenda No	Item
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| 8. | <u>Arnold Leisure Centre Refurbishment</u> (Pages 1 - 4) |
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Yours sincerely

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Lyndsey Parnell
Members' Services Officer
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Report to Council

Subject: Arnold Leisure Centre/ Bonington Theatre Refurbishment

Date: 10th July 2013

Author: Paula Darlington, Corporate Director

1. Purpose of the Report

To seek approval for additional capital borrowing to complete the re-design and refurbishment of Arnold Leisure Centre and Bonington Theatre.

2. Background

2.1 In October 2012 a decision was taken to seek investment to improve the facilities at Arnold Leisure Centre and Bonington Theatre to support the regeneration of Arnold town centre.

2.2 A project was drawn up which was projected to cost £877,000 and was funded by £250,000 Growth Point Fund, £242,000 Sport England Funding and £370,000 from Gedling Borough Councils Capital programme and £15,000 from Leisure Services Revenue maintenance budget.

2.3 The allocation of the budget was originally apportioned as

Budget Allocation	Works
Phase 1 £250,000 Growth Point	Bonington Theatre Improvements <ul style="list-style-type: none">- New electrically operated Seating- New flooring- Re-designed replacement lighting and sound systems- Refurbished bar area- General redecoration
£15,000 Leisure Maintenance Budgets	<ul style="list-style-type: none">- Roof repairs

Budget Allocation	Works
Phase 2a £270,000 GBC Capital Funding	Leisure Centre Building Improvements <ul style="list-style-type: none"> - Extension to the leisure centre entrance - Redesign of the reception area - Improvements to external lighting, signage and landscape areas.
Phase 2 b £242,000 Sport England + £100,000 GBC Capital Funding	Swimming Pool and Changing Rooms <ul style="list-style-type: none"> - Repairs / Replacement to pool hall ceiling - Replacement wet side changing rooms

- 2.4 During the implementation of the works in phase 1 it became evident that additional works, not foreseeable in the original surveys, had to be undertaken to support improvement works. These additional works included rewiring of the whole of the theatre hard wire system before new improvements such as new LED lights could be added.
- 2.5 It became apparent that there had been no upgrade works to the wiring since the buildings construction in the 1970's. Whilst undertaking phase 1 improvements it also came to light that some additional lighting had been added by theatre contractors which are now not deemed to be to new regulatory standards.
- 2.6 To rectify the theatres electrical and lighting systems to enable the theatre to re-open an extension to the phase 1 was agreed at a cost of £200,000. This work was funded by allocating £120,000 from the phase 2 works and an additional £80,000 from the Leisure Centre maintenance budget. This work has been tendered and will commence on 26th August and be completed to enable the theatre to re-open on 28th September 2013.
- 2.7 The impact of additional works to the theatre reduced the anticipated improvements in phase 2b. In order to complete works in line with the approved budget it was decided to remove improvements to the pool ceiling as the only information we held at the time was that the pool hall ceiling was discoloured and bowing. Whilst initially it was the intention to replace the ceiling for cosmetic purposes, it was hoped that the surveys to be conducted prior to phase 2 would not show the need for any works such as a replacement ceiling.
- 2.8 However recent surveys to confirm the scope of work for the delivery of phases 2a and 2b are indicating that similar issues of old electrical wiring

and ventilation systems are expected in the reception, changing room and pool hall ceiling areas, which will require replacement to ensure compliance with current regulations. This work will have to be undertaken if any redesign and improvement work is to be effective and these works have not been budgeted for in the original scheme costs and are likely to be in the region of £100,000 in total with worst case scenario. This will be confirmed when detailed surveys have been returned.

- 2.9 Following the completion of repairs to the existing roof over the Theatre during phase 1, further leaks have been evident and further surveys have been completed these show that additional work will be required to safeguard the newly refurbished areas at a cost in the region of £70,000. These works, however, are such that the earlier decision to remove improvement to the pool ceiling needs review. In order to ensure a water tight and coordinated approach it is now considered that this work is essential. Survey results, however, show that this work is likely to cost up to £150,000.

3. Proposal

- 3.1 The original budget for the improvement works was £857,000, the projected costs to complete the project in full are up to £1,277,000, leaving a budget shortfall of up to £320,000.
- 3.2 Approval is being sought for additional capital funding up to £320,000 to complete all essential wiring, ventilation, pool hall ceiling and roofing rectification works that are identified from the surveys currently being undertaken in order to complete the phase 2 works

4. Resource Implications

Undertaking major structural works to a building of the age and design such as Arnold Leisure Centre always carries significant risks of unexpected works, as detailed above.

The extent of the required works is indicative of a building that is nearing the end of its useful life. As the Council has very limited capital resources, additional capital expenditure will need to be funded by additional borrowing, an additional capital allocation of £320,000 is likely to increase revenue costs by £27,200 per annum, at a time when the Council is under significant pressure to reduce costs. The required closure of the Leisure Centre is likely to increase net expenditure through loss of income in 2013/14 by £65,000

The current original estimate for the net running costs for Arnold Leisure Centre for 2013/14 was estimated to be £546,200 per annum.

5. Recommendation

That Full Council approves additional capital borrowing in total not to exceed £320,000 (incl. Fees) to complete the improvements works to Arnold Leisure Centre.