

EXECUTIVE COMMITTEE – 1 SEPTEMBER 2008

LEISURE & COMMUNITY SAFETY POLICY & SCRUTINY COMMITTEE – 22 JULY 2008

PART II - DELEGATED

**1a. WILLIAM PENN LEISURE CENTRE REFURBISHMENT -
PROGRESS REPORT
(DCES)**

This report is NOT FOR PUBLICATION because it deals with information relating to the financial or business affairs of any particular person (including the authority holding that information), and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings (paragraphs 3 and 5 of Schedule 12A).

1. Summary

1.1 This report updates members on the refurbishment of William Penn Leisure Centre.

2. Details

2.1 Members of Leisure and Community Safety Policy and Scrutiny Committee received a confidential progress report on this project at their last meeting on 3 June 2008 (L.PP13/08 refers), and questioned directors from the design team (Nick Surman of Atkins) and the main contractors (Des McGuckin of Gee Construction).

a) Site progress & quality

2.2 There has been limited evidence of further progress on site since the last Committee meeting. Blocklaying is now complete, and the mechanical and electrical contractors are nearing the end of their 'first fix' programme. The laying of concrete screeds to complete the floor slabs has begun. Tiling of the pools is expected to begin during the week commencing 14 July. The building is still not watertight, and the cause of water damage to the existing flat roof over the main pool is currently being investigated.

2.3 The design team and clerk of works are continuing to monitor the quality of all works, and have raised concerns formally where appropriate with the main contractor. This has led to some work elements having to be repeated at the contractor's own cost.

b) Completion date

2.4 At the most recent site meeting (Wednesday 9 July) the main contractor reported that they were still unable to project a completion date, but that they were expecting updated programmes from their principal subcontractors. The main contractor has assured officers that a new programme for the whole contract will be provided by 18 July, including a projected completion date. Officers will report on this programme and completion date at the Committee meeting.

c) Contract management & disputes

2.5 Officers have convened several meetings with directors of both Atkins and Gee Construction since the last Committee meeting, to reinforce the concerns raised by Members at that meeting. The Council's Chief Executive has individually met

with the senior managements of both firms, who are due to meet each other on 18 July. Any developments will be reported to the Committee meeting.

- 2.6 Negotiations have also been continuing over claims from Gee Construction and their subcontractors for costs associated with delays incurred to date. The Council is instructing specialist legal advice on contractual issues, and in anticipation of formal adjudication of these claims.

d) Future management of the contract

- 2.7 Following the last committee meeting, officers have requested reports on the Council's options for the future management of the contract from both Nick Surman of Atkins and from Peter Wilson of Press & Starkey, who are retained as project management advisers to the Council.

- 2.8 At the time of writing, officers have received a report from Press & Starkey, which is enclosed as Appendix A. Peter Wilson will attend the Committee meeting to speak to this report, and to answer questions from Members on the options open to the Council for the remainder of the project. The report from Atkins will be forwarded to Members as soon as it is received, or tabled at the meeting.

3. Options/Reasons for Recommendation

- 3.1 To update members on the refurbishment of William Penn Leisure Centre.

4. Policy/Budget Reference and Implications

- 4.1 The recommendations in this report are within the Council's agreed policy and budgets. The relevant policies were agreed as part of the 2008-11 Strategic Plan on 19 February 2008, and are entitled:

- 2.1.5 To improve and facilitate access to leisure and recreational activities
- 3.2.1.1 We will ensure our services provide value for money

5. Financial Implications

- 5.1 There are no changes to approved budgets resulting from this report's recommendations.

- 5.2 Claims from subcontractors associated with the extension of time already agreed have cost implications for the project. However it is not possible to project the scale of these costs until detailed claims are received from the main contractor and negotiated (see 2.6 above). Officers will report to members on any further developments. See also 6.1 below.

6. Legal Implications

- 6.1 Officers are in the process of commissioning specialist legal advice in order to advise the Council on contractual issues and to help defend any adjudication claims.

7. Equal Opportunities, Staffing, Environmental, Community Safety, Customer Services Centre, Communications and Website Implications

- 7.1 None specific to this report.

8. Equal Opportunities Implications

8.1 Relevance Test

Has a relevance test been completed for Equality Impact?	No
A relevance test is not appropriate for this recommendation	

9. Risk Management and Health & Safety Implications

9.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

9.2 The subject of this report is covered by the Leisure service plan. Any risks resulting from this report are included in the risk register and managed within this plan.

9.3 The following table gives the risks already identified for this project, together with a scored assessment of their impact and likelihood.

Description of Risk		Impact	Likelihood
1	Project over-runs budget	IV	B
2	Project is delivered late	III	A
3	Loss of key project personnel	III	D
4	Project does not deliver the required outputs	III	D
5	Contractor fails	III	E

9.4 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.

Likelihood ↑	A			2			Impact V = Catastrophic IV = Critical III = Significant II = Marginal I = Negligible	Likelihood A = >98% B = 75% - 98% C = 50% - 75% D = 25% - 50% E = 2% - 25% F = <2%
	B				1			
	C							
	D			3,4				
	E			5				
	F							
		I	II	III	IV	V		
Impact →								

9.5 In the officers' opinion none of the risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

10. Recommendations

10.1 That the Leisure and Community Safety Policy and Scrutiny Committee recommends to the Executive Committee that:

- a) Officers continue to aim to ensure that the project is completed as soon as is practicable, within the fixed project budget and the Council's quality requirements
- b) Officers report to members on any cost implications associated with delays to the project, as soon as these are available.

10.2 That public access to the report be denied until the issue is resolved.

10.3 That public access to the report's recommendations be immediate.

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Background Papers

William Penn Leisure Centre Refurbishment files

The recommendations contained in this report DO NOT constitute a KEY DECISION.

APPENDICES / ATTACHMENTS

Appendix A Report from Press & Starkey (enclosed)

Appendix B Report from Atkins (to follow)