

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	ACTING STRATEGIC DIRECTOR OF PLACE
Date of Decision:	November 17th, 2015
SUBJECT:	SPARKHILL POOL AND FITNESS CENTRE
Key Decision: Yes	Relevant Forward Plan Ref: 000599/2015
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Ian Ward – Deputy Leader, Cllr Stewart Stacey – Commissioning, Contracting and Improvement
Relevant O&S Chairman:	Councillor Waseem Zaffar, Corporate Resources, Councillor Majid Mahmood, Health and Social Care
Wards affected:	Springfield

1. Purpose of report:
1.1 This report provides details of the reasons for the delays to the construction of Sparkhill Pool and Fitness Centre.
1.2 The private agenda report provides details of the financial information associated with the delays to the construction of the new pool and makes recommendations as to the funding required from the Leisure Transformations Financial Plan.

2. Decision(s) recommended:
That Cabinet:
2.1 Notes the reasons for the delays to the construction of Sparkhill Pool and Fitness Centre.

Lead Contact Officer(s):	Steve Hollingworth – Assistant Director – Sport, Events & Parks
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3. Consultation
3.1 Internal Finance, Corporate Procurement, Legal and Democratic Services, Planning and Regeneration and Property have been involved in the preparation of this report. The Cabinet Member for Health and Social Care has been kept informed of the timescales for the new Sparkhill Pool and Fitness Centre.
3.2 External Officers from Acivico Limited have been consulted. Sport England has been consulted in the preparation of this report. City Demolition Limited, in undertaking the removal of asbestos and the demolition of Sparkhill Pool & Fitness Centre has been consulted and provided information for this report.

4. Compliance Issues:
4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u> The Sport and Physical Activity Strategy contributes to the Leader's Policy Statement 2015 to work together for a fair, prosperous and democratic Birmingham. The Sport section's main purpose is to ensure that Birmingham becomes a healthy and active city by encouraging people to be more active. The team is responsible for developing sports strategy, policy and plans and creating sporting opportunities.
4.2 <u>Financial Implications</u> <u>Details of the financial implications associated with this report are set out in the private report</u>
4.3 <u>Legal Implications</u> Under section 19 of the Local Government Act (Miscellaneous Provisions) 1976, the Council has the power to provide such recreational facilities as it thinks fit in its area and under Section 111 of the Local Government Act 1972, the Council may do anything which is incidental to the discharge of any of its functions.
4.4 <u>Public Sector Equality Duty</u> <ul style="list-style-type: none"> a) The requirements of Standing Order No. 9 in respect of the Council's Equal Opportunities Policy has been incorporated into the Contract. b) Under the terms of the Framework Agreement, Places For People Leisure Ltd (PfP) formerly DC Leisure Ltd, is required to comply with the provisions of the Equality Act 2010. c) A stage 1 Equality Assessment was carried out in relation to the Sports Transformation Strategy and did not highlight the need to progress to stage 2.

5. Relevant background/chronology of key events:

- 5.1 The award for the design, build, operate and maintain contract for Sparkhill Pool and Fitness Centre was awarded to PfP, formerly DC Leisure Ltd, following Cabinet approval on 17 March 2014.
- 5.2 PfP's bid was awarded on the basis that ground condition investigations were carried out directly below the building to inform the structural works once the building was accessible following the removal of asbestos. The bid price included the removal of asbestos contamination identified in the asbestos reports provided within the tender information, but excluded any further contamination still to be identified from inaccessible areas of the building. Therefore any additional asbestos removal required would be at the Council's risk.
- 5.3 In May and June 2014, PfP and their main building contractor, visited the site to assess access and to draw up a schedule of investigatory works. Acivico were engaged by the Council to complete the investigatory works.
- 5.4 In July 2014, Acivico's Geotechnical Engineers advised that a decontamination clean certificate had not been issued for the basement, and therefore they could not complete the necessary investigatory works until it was confirmed the basement area was safe.
- 5.5 In view of the above, Birmingham City Laboratories (BCL), who undertook the original asbestos testing on behalf of Acivico, were contacted for confirmation that the basement was clear and safe to work in. In August 2014, BCL confirmed that there was asbestos in the basement that needed to be removed prior to issue of a validation certificate. On this basis, PfP instructed an asbestos consultant to undertake a review of the level of asbestos in the basement, and they advised that the extent of asbestos in both the basement and building as a whole was greater than previously identified and that another Asbestos Demolition and Refurbishment Survey was required to cost the asbestos removal.
- 5.6 In September 2014, PfP conducted their own Asbestos Demolition and Refurbishment Survey for the building and obtained Quotations for the removal of the asbestos. These were presented to the Council in November 2014.
- 5.7 During the ongoing discussions and work involved with the removal of the asbestos, PfP proceeded with consultation on their design for the new Swimming Pool with Birmingham City Council Planners. A number of changes were recommended by the Planners in order for a successful planning application; these included reviewing the levels at the front of the building and a redesign of the frontage. The contract was awarded on the basis of a successful planning application with all design changes the responsibility of the Contractor. The financial implications resulting from these changes are detailed in Appendix 1 of the private report. Following these design changes PfP submitted an application to Planning Committee.

- 5.8 A series of meetings were held with PfP and their main building contractor during November and December 2014 to work through options to in an attempt to best resolve the asbestos issue, as the asbestos survey highlighted that the basement layout was more complicated than originally envisaged. It was agreed by all parties that the position in regard to identifying the full extent of asbestos within the building would be problematical due to the inability to access the building safely.
- 5.9 A decision was therefore taken by the Council that in order to mitigate further delay in regard to site accessibility, and claims arising from delays, that Acivico would be engaged by the Council to procure the asbestos removal based upon current understanding of the location and quantity of asbestos known to be in the building. Quotations for asbestos removal were invited through Find it in Birmingham and returned on the 20th March 2015.
- 5.10 The contract was awarded to Integrity Facilities Management Ltd and asbestos removal works commenced on 8th April 2015.
- 5.11 Subsequent to the works commencing on site on 8th April 2015 Integrity Facilities Management Ltd brought to the Council's attention the presence of further asbestos contaminants. These were discovered within areas of the building previously inaccessible due to the disturbance of materials by vandals within the buildings foyer area and reception offices. An additional quotation was obtained for its removal, and a project manager's instruction was issued to incorporate the additional quantities within the contract works.
- 5.12 On 8th May 2015 following discovery of yet further areas of substantial contamination a meeting was called with Acivico, the client's representative and BCL to discuss and decide the best approach to certifying the complete removal of asbestos from within the building. As a result of this meeting a decision was taken that the asbestos within the building could not be satisfactorily certified to have been removed without significant damage to the integrity of the structure and a view that this would best be achieved by placing the removal in the hands of a demolition contractor.
- 5.13 In addition to the contractual requirement of delivering the building free of asbestos there was significant concern by Officers over the condition of the building, the physical difficulties of adequately securing the building from entry by vandals and the open nature of the roof structure which was substantially damaged and allowing debris from within the building to potentially be carried out into the area around the building potentially contaminating areas to which the public have access.
- 5.14 A decision was therefore taken by the Council on the advice of Acivico to instruct the Council's emergency works contractor City Demolition Limited to undertake the demolition works. The works commenced on 24th August 2015 following negotiations over works cost including the remaining asbestos contamination issues.
- 5.15 The estimated final cost of these works to remove any remaining asbestos and demolish the building leaving the site cleared to a standard agreed with Pfp's construction contractor is detailed within Appendix 1 of the private report. Demolition works are scheduled for completion on 11th December 2015.

- 5.16 After the site has been cleared of asbestos and demolition concluded, further ground investigation surveys will be undertaken by the Council through Acivico. Due to the surveys already undertaken it is unlikely any anomalies will be found but if the reports identify any concerns the current capital cost includes a provisional sum, as identified in Appendix 1 of the private report, to put right any issues. The survey reports will be provided to PfP by 22nd January 2016.
- 5.17 Following receipt of the final surveys, PfP's construction contractor will take over control of the site and commence construction on 21st March 2016.
- 5.18 The original contract sum was based on prices at the beginning of 2014, with a subsequent 12 month build period. The length of time it has taken to remove the asbestos and will have taken to demolish the building has resulted in PfP resubmitting a renewed contract sum based on current prices and inflationary costs. The City Council has worked with PfP to reduce some costs where possible but even with demolition being taken out of the contractors sum and delivered through the emergency works process there has been an increase in the overall contract sum as shown in appendix 1 of the private report.
- 5.19 Subject to approval of the recommendations set out within this report and the private report, the new Sparkhill Pool and Fitness Centre will open to the public on 19th May 2017, a delay of approximately 18 months.

6. Evaluation of alternative option(s):

- 6.1 Not Deliver Pool – There is a recognised strategic need for a pool in this area, which has been without one since 2008. Cabinet has recognised this need and approved the delivery of the pool through the Sport and Leisure Framework.
- 6.2 Re-tender – There would be no guarantee that by retendering the cost of delivery of the new pool would be reduced, in fact due to current inflation and increases of costs within the construction industry the likelihood would be that the cost would at least be at the same level or higher than the current cost. In addition, there would be further significant delays to the delivery of the pool, with increased costs associated, whilst the re-tendering process took place.

7. Reasons for Decision(s):

- 7.1 To enable the continuation of the demolition and construction of Sparkhill Pool and Fitness Centre.

Signatures	<u>Date</u>
Deputy Leader Cllr Ian Ward
Cabinet Member for Commissioning, Contracting and Improvement Cllr Stewart Stacey
Chief Officer Jacqui Kennedy, Acting Strategic Director of Place

List of Background Documents used to compile this Report:
Cabinet Report 16 December 2013, Sport and Physical Activity Review – Transformation of the Leisure Service.
Cabinet Report 17 March 2014, Sparkhill Pool and Fitness Centre – Contract Award (Public and Private Reports)

List of Appendices accompanying this Report (if any):

Report Version	Dated