

**CABINET**

**COUNCILLOR MARTIN TENNANT  
MAJOR PROJECTS AND PROPERTY  
PORTFOLIO HOLDER**

**15 March 2022**

**REPORT NO. REG2203**

**KEY DECISION? YES**

**REGENERATING RUSHMOOR PROGRAMME -**

**FARNBOROUGH PROJECTS FUNDING REQUIREMENT**

**SUMMARY:**

The Council has an ambitious regeneration programme with projects at different stages including feasibility assessment, business case development and due diligence underway. The Council's programme office has undertaken a review of current budget allocation against the work programme and this report seeks Cabinet authority for the release and allocation of grant and capital funding to enable the completion of key stages of projects relating to Farnborough Civic Quarter and the wider town centre.

The report also provides an update on a successful One Public Estate (OPE) funding bid.

**RECOMMENDATIONS:**

Cabinet is recommended to agree:

1. Allocation of £103,000.00 revenue funding to the ongoing delivery of the Leisure and Civic Hub detailed business case.
2. Allocation of £627,514.00 capital funding from the current capital programme following the discovery of significant asbestos in the existing leisure centre over and above that provided for in the approved demolition budget as well as the provision of a further contingency to address any additional asbestos finds prior to completion.
3. This includes an allocation of £10,000.00 to provide additional hoarding and anti-climb paint at the Farnborough Leisure Centre demolition site.
4. Allocation of £35,000.00 for the development of a town centre strategy for Farnborough.

## **1. INTRODUCTION**

- 1.1 This report provides an update on the funding requirement for the Council's Regeneration Programme. The Council has an ambitious regeneration programme with projects at different stages including feasibility assessment, business case development and due diligence underway. The programme has recently been reassessed in the context of the Council's financial position and the Council's programme office has undertaken a review of current budget allocation against the work programme for the next 6 months.
- 1.2 Three areas of the programme have been identified as requiring additional funding to enable robust progression to the next stage of project delivery as follows;
- Business Case for Leisure Centre/Leisure and Civic Hub
  - Leisure Centre Demolition
  - Town Centre Strategy for Farnbrough

The following sections of this report set out more detail for each of these projects

## **2. NEW LEISURE CENTRE/LEISURE AND CIVIC HUB**

- 2.1 The Council has made a commitment in the Council Plan to bring forward the development of a new leisure centre. The vision set out in the emerging Civic Quarter Masterplan sets out the potential for the new leisure centre to be combined with a range of public service uses including a new library and Council office in a public and community 'civic hub.' The Council's current offices would then be redeveloped for housing. Given the complexity of the current financial position this option needs to be robustly tested against other options including retention and refurbishment of the current Council office building and the relocation to alternative vacant office space in the town.
- 2.2 This has broadened the work being undertaken to prepare the business case for the new Leisure Centre including further soft market testing with the Leisure Operator market and detailed work on options for acquisition and lease and building management. A bid was made to the One Public Estate (OPE) fund to support this work which was successful and £300,000 has now been awarded. The additional costs to support the development of the business case (currently estimated at £103,000) can be met from this funding with the remainder being carried forward for the next stage of delivery.
- 2.3 This Business Case is expected to come to Cabinet and Council for review and decision in late Summer 2022 at which point the preferred option can be agreed.
- 2.4 A sum of £225,000 of the OPE funding is repayable upon completion of the project and disposal of the existing Council Office site. Should the project not go ahead then the funding will not be repayable.

### **3. FARNBOROUGH LEISURE CENTRE DEMOLITION**

- 3.1 The demolition of the old Farnborough Leisure Centre commenced before Christmas. During demolition of the existing Leisure Centre a number of significant notifiable asbestos finds have occurred in areas of the building that it was not possible to survey prior to commencing works. This has resulted in the need for additional capital funding for the removal of the additional asbestos.
- 3.2 Due to the scale of the demolition, it is likely that further asbestos will be identified and therefore a project budget is sought to allow timely response to further finds over and above the current known finds
- 3.3 Detailed work is underway to interrogate and approve the additional cost of asbestos removal. To date, three of four new finds have been assessed and costed totalling circa £145,000 which includes an estimated programme extension of 4 weeks. These costs can mostly be met from the original budget and contingency approved at Cabinet on the 19<sup>th</sup> October 2021, report RG2101. However, the latest estimate for the most recent asbestos find is £407,992 with a 14-week programme delay due to the complexity of the removal required. Work is underway to interrogate these costs to agree a final figure, however there is also a risk of further finds, particularly in the sports hall where demolition has not yet commenced.
- 3.4 Based on current numbers and cost estimates there is a funding gap of £477,514.00. Given the risk of further asbestos finds we request an additional £150,000.00 contingency allocation bringing the overall budget variation to £627,514.00 to allow the Project Team to instruct further asbestos removal and mitigate further programme delay as required.
- 3.5 Demolition of the wet side of the Centre is circa 60% complete and additional asbestos finds to date are included for in the figures outlined in this report. Most of the rooms have now been demolished which reduces the risk of significant additional finds.
- 3.6 As no demolition has taken place in the Sports hall, and this cannot commence until the bowling green has been removed (costs for the asbestos removal in this area are included in the figures outlined in this report) there is a risk of further asbestos finds within concealed finishes in the Sports hall.

3.7 The table below provides a breakdown of budget requirement against the current budget allocation:

Budget		£1,339,000.00
EA fees		(£38,351.00)
Project Management		(£10,000.00)
Kingsmoat suspension		(£7,500.00)
Service diversion and associated work		(£192,091.00)
Revised contract sum 17/01/22		(£999,096.00)
Additional Asbestos cavity closer and channels - Prov. Inc 4-week delay		(£116,071.00)
Contractor fee		(£1,875)
Miscellaneous		(£5,000.00)
<i>Kings Moat add loss of income</i>		(£15,250.00)
<i>Kings Moat legal fees for displaced permits</i>		(£250.00)
<i>Additional Employers Agent fees May-August</i>		(£13,037.00)
<i>Additional Asbestos (Bowling Area)</i>		(£407,992.00)
<i>Additional hoarding and security measures</i>		(£10,000)
	Total spend profile	£1,816,514
	Approved budget	£1,339,000.00
	Difference	£477,514
	Contingency	£150,000.00
	Additional budget requirement	£627,514

3.8 There is a risk that there may also be further asbestos in the ground depending on construction and how the site was managed at the time. We will not know this until intrusive ground surveys have been undertaken once the main fabric of the building has been demolished.

3.9 Since the beginning of the year there have been a number of incidents with young people breaking into the demolition site and putting themselves at significant risk. Although the site is hoarded and has operators or security on site 24 hours there are areas of temporary fencing which originally were only expected to be in place for short periods. Due to the additional asbestos, it is now likely that the programme will be extended by up to 20 weeks. A multi-agency meeting has considered the risk of this given the persistence of those determined to access the site and additional measures including additional site security, visits by community patrol officers, increased focus from CCTV, targeted response from the police and contact with local schools have all been put in place. However, given the level of risk those involved agree that additional permanent hoarding should be provided alongside other deterrents including anti-climb paint. These further costs are currently being assessed but

an estimated £10,000 further funding is requested to provide this further mitigation.

#### **4. TOWN CENTRE STRATEGY**

- 4.1 In addition to the redevelopment of the Civic Quarter, the Council plan recognises the need to progress the wider regeneration of the town centre. Historically this has been taken forward by the private sector, but progress has been slow, and redevelopment stalled due to the pandemic. For the Council to consider a similar direct intervention approach to that in Aldershot it will be important to understand what might be possible.
- 4.2 The first stage of this work is the development of a town centre strategy which takes account of the post pandemic and economic position we are experiencing. This work would look at future hard and soft uses, develop a concept plan defining what will make Farnborough a place which will be attractive for residents, visitors and importantly investors. The strategy will set the scene for future delivery options, propose a phasing approach, and help identify the type of delivery partner(s) the Council may need. Following soft market testing with a range of providers, David Lock Associates are recommended to be appointed to take this forward. A further £35,000 funding is requested to fund this work.

#### **5. ALTERNATIVE OPTIONS**

- 5.1 The Leisure & Civic detailed business case will look at a range of options for delivering facilities in the town centre including using existing buildings for Member decision.
- 5.2 Failure to remove the identified asbestos in the existing leisure centre will result in all works stopping on the site.
- 5.3 The town centre strategy work will directly inform the business case for regeneration intervention in the town centre either directly or with a development partner or investor. Without the strategy the Council will not have the ability to consider the options and implications before moving forward with potential significant schemes or interventions.

#### **6. CONSULTATION**

- 6.1 In 2019 a public consultation was undertaken which identified the need to create a community heart as a top priority for the future regeneration of Farnborough town centre. Further aspirations focused on developing a strong identity and sense of place for Farnborough, encourage community cohesion and improve health and wellbeing.
- 6.2 During the development of the feasibility study, the project team has undertaken consultation with internal and external stakeholders to develop and finalise the proposed project brief. This has included a range of workshops and briefings

with staff and Members including the Policy and Project Advisory Board (PPAB).

- 6.3 The proposed facilities mix for the new leisure centre was developed as a result of consultation with clubs and other users of the Farnborough Leisure Centre
- 6.4 The Civic Quarter Masterplan was consulted on in Autumn 2021 and a statement of community involvement will be submitted with the Masterplan planning application.

## **7. IMPLICATIONS**

### **Risks**

- 7.1 A detailed project risk register has been developed for all projects within the programme and these are reviewed as part of the Project Team meetings.
- 7.2 The funding outlined to progress is at risk should the projects not go ahead.

### **Legal Implications**

- 7.3 There are no known legal issues in proceeding with the recommended approach.

### **Financial and Resource Implications**

- 7.4 The additional budget for the development of the Leisure & Civic Hub detailed business case can be funded through the successful One Public Estate bid.
- 7.5 It is proposed that £627,514 is allocated from the £17.980m in the Capital Programme for the Civic Quarter redevelopment to fund the capital cost of additional asbestos removal as part of the Leisure Centre demolition and additional hoardings and anti-climb paint.
- 7.6 It is proposed that £35,000 for town centre strategy development is funded using existing regeneration reserves or other available budget as identified by the Executive Head of Finance.

### **Equalities Impact Implications**

- 7.7 There are no known Equalities Impact Implications arising from this report.

## **8. CONCLUSIONS**

- 8.1 In order to take forward these projects and continue with the delivery of the Council's regeneration ambitions Cabinet is asked to approve the allocation of funding as set out in the report.

### **BACKGROUND DOCUMENTS:**

Cabinet report RP2009 14<sup>th</sup> July 2021 – Approval of Outline Business Case  
Cabinet report REG2101 19<sup>th</sup> October 2021– Demolition up-date and Budget Approval

### **CONTACT DETAILS:**

**Report Author** – Gemma Kirk, Interim Programme and Projects Executive  
(Gemma.kirk@rushmoor.gov.uk)

**Executive Director** – Karen Edwards. (Karen.edwards@rushmoor.gov.uk)