

CABINET

**COUNCILLOR MARTIN TENNANT
MAJOR PROJECT AND PROPERTY**

08 June 2021

REPORT NO. RP2103

KEY DECISION: YES

FARNBOROUGH LEISURE CENTRE - DEMOLITION

SUMMARY:

This report requests the approval of funding and the appointment of contractors to enable the Council to proceed with the demolition of the vacant Farnborough leisure centre building.

RECOMMENDATIONS:

Cabinet is recommended to:

1. Confirm the appointment of Willmott Dixon Construction Limited through the Procurement Hub framework to carry out the demolition and site clearance of Farnborough Leisure Centre and to undertake further survey works upon completion of site clearance.
2. Agree the release of £1,135,000 funding from the Capital Programme, as approved by Council on 25 February 2021 for the demolition works and associated project management.
3. Note that a further budget of £20,000 is required to fund ongoing project delivery costs and consideration of alternative options.

1. INTRODUCTION

- 1.1 The purpose of this report is to seek approval to proceed with the demolition and site clearance of Farnborough Leisure Centre and to undertake the required site investigation works following site clearance to inform costs for the development of the new Leisure and Civic Hub building prior to Final Business Case.
- 1.2 This is a key decision because of the level of capital spend required to deliver the works.

2. BACKGROUND

- 2.1 In January 2021, Cabinet took the decision not to re-open Farnborough Leisure Centre due to the significant cost implications on the extension of the leisure

contract as a result of the COVID-19 pandemic. Following an interim use as a community testing venue the building is now vacant and can be cleared for demolition.

- 2.2 From 1st May, the vacant site will attract a rate payment requirement of £3,471 per week which the Council will need to fund until the Centre is decommissioned and demolished. There will be a three-month rates exemption period applicable during which time the Council could commence demolition work to ensure rates are not applicable.
- 2.3 Work is underway to develop a detailed feasibility study for the delivery of a new Leisure Centre or Leisure and Civic Hub project to replace the existing Leisure Centre and relocate Council offices within the Civic Quarter regeneration programme. This work is ongoing, and the Council is committed to developing a new Leisure Centre in Farnborough as part of its town centre regeneration. The emerging Masterplan for the Civic Quarter identifies the current site as the location for the new facility and will be part of a wider public consultation this summer.
- 2.4 As part of the commitment for a new leisure centre, Cabinet have already approved the procurement of Willmott Dixon Construction through the Procurement Hub Framework for delivery of the scheme following final business case approval. In line with this framework, Willmott Dixon have been working with the project team during feasibility to develop the scheme and undertake surveys and other activities to inform project scope and cost development.
- 2.5 Following the decision not to re-open the Leisure Centre, Willmott Dixon were asked to prepare a fee proposal for the demolition, site clearance and intrusive ground investigation work at the Leisure Centre as well as a detailed programme for the works on a 'as soon as possible' basis.
- 2.6 A detailed fee proposal including evidence of market testing has been submitted by Willmott Dixon. This has been reviewed by the projects Technical Advisor and Cost Consultants, Artelia UK, who have recommended acceptance of the proposal (Appendix 1).

3. DETAILS OF THE PROPOSAL

General

- 3.1 Cabinet is asked to approve the appointment of Willmott Dixon Construction to undertake demolition of the existing Farnborough Leisure Centre as soon as possible in line with the fee proposal and tender report which has been reviewed and validated by our Technical Advisor and Cost Consultant.
- 3.2 The Capital Programme, as approved by Council at the meeting on 25 February 2021, included expenditure estimates for the Civic Quarter scheme. It is proposed that £1,160,000 is allocated from the £19.383m in the Capital Programme to fund demolition.

- 3.3 To support the ongoing project delivery costs for the Leisure & Civic Hub a further revenue budget of £20,000 is required until the scheme has been approved by the Council. This will include an assessment of alternative options including reuse of existing office accommodation in the town centre and elsewhere in the borough.
- 3.4 A local resident has formally requested that the mosaic murals, originally designed by local children, situated on the side of the existing leisure centre be removed and incorporated in the new building. A survey of the murals has been undertaken to ascertain the costs of this request. Unfortunately, due to the intricate nature of the mosaic tiles and adhesive surface the work to do this would be significant and an estimate of £20,000 has been provided by the Council's surveyor for removal and reinstatement. At this level of cost, retention of the mosaics is not considered good value for money and the cost is not included in the budget for demolition. At the appropriate time Cabinet may wish to consider how the community may be represented in a similar way in the new building and/or the civic quarter site as a whole.

Alternative Options

- 3.5 As set out in the outline business case the condition of the existing Leisure Centre is such that refurbishment would not be a cost-effective approach to delivering future leisure provision for the Borough and the Council is committed to delivering a new Leisure building for the Borough.
- 3.6 There are no viable short-term uses for the existing building and the building will attract rates of £3,471 following the three-month rate exemption period at the end of July 2021.
- 3.7 By progressing demolition, it will also be possible to undertake intrusive ground condition surveys prior to entering a build contract and therefore achieve greater cost certainty and mitigate risk on the construction of the new build.
- 3.8 If demolition does not take place there will be further property management and security costs associated with management of a vacant building.

4. IMPLICATIONS

Risks

- 4.1 A detailed project risk register has been developed for the Leisure & Civic Hub project which includes a specific demolition risk register which is reviewed as part of the Project Team meetings.
- 4.2 There is a financial risk of not progressing demolition associated with building rates and vacant building management and security costs.

Legal Implications

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

Financial and Resource Implications

- 4.4 The table below provides a detailed breakdown of costs for demolition works as well as mosaic removal and ongoing project delivery budget for approval.
- 4.5 The Capital Programme, as approved by Council at the meeting on 25 February 2021, included expenditure estimates for the Civic Quarter scheme. It is proposed that £1,133,144.00 to fund demolition is allocated from the £19.38m in the existing Capital Programme budget for this project.
- 4.6 A further of £20,000 revenue budget is also required to fund ongoing project delivery costs and evaluation of alternative options.

Item	Budget (Estimates)
1. Employers Agent	£26,500
2. Demolition (enabling works, asbestos removal and surveys)	£695,644
3. Service Disconnections/diversions (estimate – actual to be confirmed)	£200,000
4. Contingency for unknown asbestos and abnormal's and service disconnection (20%)	£179,000
5. Project Management and other professional costs (e.g. legal)	£32,000
Total	£1,133,144
Additional project delivery budget	£20,000
Total	£1,153,144

Equalities Impact Implications

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

Other

- 4.8 As detailed above, if the building is not demolished there will be property management and security implications as a vacant building in the town centre is likely to be vulnerable to crime.

5. CONCLUSIONS

- 5.1 Following the decision not to re-open Farnborough Leisure Centre it is considered appropriate to recommend moving forward now with demolition and site clearance of the existing building. This will avoid rates, security and property management costs on the vacant building and enable early works associated with the delivery of a new Leisure Centre facility.
- 5.2 Demolition of the building will deliver a cleared and unencumbered site for future development as well as allowing detailed survey works to inform project costs for the new build scheme.

BACKGROUND DOCUMENTS:

Appendix 1 Artelia tender report (CONFIDENTIAL)
Cabinet report RP2009 14th July 2021 – Approval of Outline Business Case
Cabinet report RP2012 11th August 2021 - Approval of proposed main contractor route

CONTACT DETAILS:

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