



Financial Performance and Contracts Committee

18 March 2020

Title	Finchley Lido Leisure Centre: Remedial Programme
Report of	Executive Director: Adults & Health
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Finchley Lido Remedial Photos Appendix B – Finchley Lido Remedial Programme
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Summary

The leisure management contract (2018-2028) outlines the responsibility of the Council to maintain the structure and roof of its leisure facilities.

As part of the monitoring schedule and in partnership with GLL (leisure operator) a review of asset condition, lifecycle maintenance and repairs and maintenance takes place on a quarterly basis. Where items are required for action, LBB and GLL work to commission specialist contractors to undertake work as per an agreed specification.

In line with routine maintenance, Solution Consulting Engineers Ltd (SCE) were commissioned in December 2018 to carry out a roof inspection within the pool hall at Finchley Lido Leisure Centre (FLL) and provide a report on its structural condition.

The SCE report noted a number of areas of requiring further investigation and immediate

attention. In the interests of customer safety and due to the nature of the defect along with the limited survey data available the Council closed access to the wet-side facility in March 2019.

Capita were subsequently appointed in April 2019 to further assess and review the SCE report findings and to propose a remedial strategy for the roof and associated structure of the swimming pool area.

A programme of intrusive investigations and surveys were conducted between April – December 2019 by a team of specialist civil and structural engineers. To minimise service disruption and to bring the facility back into full use in a timely manner, Guild Architectural Restoration (Guild) were directly appointed in September 2019 to deliver the remedial action required.

The total capital value of the programme is £852,660 which is funded from the Asset Management Fund and includes all associated professional fees, site investigations, surveys and the remedial works required. Which are co-ordinated in two separate phases;

- Phase 1 – Enabling works, structural propping and investigations;
- Phase 2 – Structural remedial works

Phase 1 works were completed between September – December 2019, in which remedial items relating to the glulam beams, apex joint connections and steel columns were identified. Phase 2 commenced in December 2019 and is anticipated for completion by April 2020. Progress is monitored on a weekly and monthly basis by the project team.

As part of the leisure management contract, the Council receives a variable average annual payment from GLL (circa £1.6m). This is based on the projected income and expenditure to operate the facilities on behalf of the Council. The primary responsibility for the physical asset is retained by the Council, who are liable for the associated loss of revenue if the facilities are not available for use and GLL are unable to operate the service.

The conditions of this are outlined within the leisure management contract which describes how the revenue liability period takes effect from the point at which operations are affected and determining the loss of revenue for the associated activities for the period in question.

The total loss of revenue is subject to a full commercial assessment which is currently being undertaken in partnership with GLL, the conclusion of this is to be agreed by April 2020.

The remedial programme has reviewed opportunities to expedite the works in a timely and efficient manner to minimise a loss of revenue claim and keep the period that the facility is closed to a minimum. It is anticipated that public access to the wet-side area will be available by May 2020.

This report outlines the extent of the remedial programme which has been co-ordinated and requests for the Committee to note the progress against delivering the priority works required.

Officers Recommendations

- 1. The Committee note the extent of the remedial programme at Finchley Lido Leisure Centre, associated delivery timescales and the Councils responsibilities as per the Leisure Management Contract (2018-2028).**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Council in partnership with GLL commissioned Solution Consulting Engineers Ltd (SCE) in December 2018 to carry out an inspection of the existing roof to the main swimming pool at Finchley Lido Leisure Centre and report on its structural condition.
- 1.2 The SCE report noted a number of areas of cracking within the roof beams and corrosion within the steel columns. Due to the nature of the defect and limited survey data available (ie restriction to access at height) it was deemed necessary to close access to the wet-side facility on health and safety grounds in March 2019. The Council subsequently appointed Capita to review the SCE report and provide recommendations for a remedial programme whilst support in managing all aspects of the repair works including, but not limited to:
 - Due diligence;
 - Remedial design proposals;
 - Scoping and instructing intrusive investigations;
 - Detailed design proposals;
 - Contractor Procurement;
 - Management of the construction activities;
 - Handover and aftercare.
- 1.3 A programme of further intrusive investigations took place from April 2019, which was completed independently by GBG Structural Services. The assessment included visual inspections, physical measurements, intrusive inspections and sampling, timber resistographic drilling, endoscopic investigation and ultrasonic thickness testing to assess the roof beams and steel columns. At the same time a full review of the 'as built' design was undertaken by the project team which identified sub-standard connection arrangements within the structure.
- 1.4 The investigative surveys highlighted the condition of the apex joint connection and several columns would require major repair works to be carried out to ensure structural integrity is maintained. It was also noted that the remaining columns within the swimming pool area would require remedial works but not of a structural nature. The surveys provided a series of recommendations which included items such as re-coating the structural beams with fire retardant paint and removing the corrosion identified on the columns, to coat with in anti-corrosion paint.

- 1.5 As such and to expediate the remedial process the Council appointed Guild Architectural Restoration (Guild) under a single tender action to fully design the remedial works, including the completion any additional surveys, temporary propping of the structure and opening of the roof apex connections.
- 1.6 This is being delivered in a phased approach which includes;
- 1.7 **Phase 1** – installation of temporary propping, access scaffolding, removal of apex connections, removal of duct work and appointment of timber specialist to carry out investigations.
- 1.8 **Phase 2** - remedial works to the glulam beams, the steel beams and steel columns
- 1.9 Phase 1 delivery commenced in September 2019 which included an inspection and survey of the full length of each beam within the pool hall. To complete, scaffolding and propping was installed enabling access to work at height. The design requirements were complicated by the irregular ground conditions (ie the swimming pool, multiple plinths, barriers etc) which caused additional spans and complex requirements. However, the scaffolding has been designed in such a way to reduce the loading away from the poolside and into the centre of the pool.
- 1.10 To enable the apex connection to be removed, a large ventilation duct spanning the length of the pool was required to be carefully taken down and set aside for reinstallation once the works are complete. The project team concluded Phase 1 in December 2019 which confirmed the extent of identified defects within the structural glulam beams, the glulam apex connections and significant corrosion within the steelwork and columns. Images which highlight the extent and nature of the work undertaken are located in Appendix A – Finchley Lido Remedial Photo Images.
- 1.11 In December 2019, the Phase 2 programme was agreed with Guild which is located at Appendix B – Finchley Remedial Programme. The proposal at present includes timber repairs to glulam beams. The programme also includes structural repairs to 6no. heavily corroded columns which comprises of comprehensive blast cleaning of corroded areas and reapplication of anti-corrosion paint. Additional minor works will also be undertaken to remaining columns. Guild have also confirmed the large ventilation duct spanning the length of the pool is salvageable and can be reinstalled to save costs.
- 1.12 It is worth noting that 3 beams lie outside of the direct pool environment (additionally 2no. beams lie partially within the pool environment) and have not been costed within the existing programme. Options to deliver the associated remedial are being reviewed within the budget allocated.
- 1.13 During the wet side closure period GLL have invested in improvements to enhance the poolside experience ready for when the pools re-open. The refurbishment includes installation of a new ventilation system, poolside changing cubicles, a vanity area, new lockers to create a better atmosphere for swimmers and spectators.

- 1.14 Customers are currently being redirected to swimming activities which are available within the new facilities at Barnet Copthall Leisure Centre and New Barnet Leisure Centre. This also includes the transfer of lessons and courses for those customers who have been affected. Where applicable refunds and freezes on memberships have been reviewed and offered by GLL. All of this is taken into account in the contract discussions with GLL in relation to loss of revenue.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Finchley Lido Leisure Centre (circa 1995/96) is the Council's most successful site in financial terms, helped by its location on a leisure retail park. A typical lifespan of a leisure facility is projected between 25 -30 years. The Centre is circa 24 years old and has been subject to an ongoing programme of lifecycle maintenance undertaken by GLL in partnership with the Council.
- 2.2 The Council has a duty to fulfil its obligations in line with the leisure management contract and to ensure that health and safety is dually considered and managed appropriately. Delivery of the remedial programme ensures that the Council are able to progress with opening the wet-side facility by May 2020, with the replacement of key structural elements providing up to 10 years guarantee on the apex connections. All other remedial items will be monitored in line with existing partnership arrangements.
- 2.3 The works are also required to reduce the existing revenue claim levied against the Council, which will continue to accumulate until the facility is brought back into full use. The revenue liability period takes effect from the point of closure (March 2019) for all activities associated for the period in question. The Council has been in continued dialogue with GLL to assess the commercial information to reduce the claim to be levied against the Council.
- 2.4 Ensuring remedial action is completed in a timely manner is also key in ensuring that the forecasted growth targets (by GLL) can be progressed to the expected levels and business plan deliverability is not affected.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1.1 The remainder of the facility currently remains open to the public (health and fitness, studio, lido), if the wet side area were to close permanently with immediate effect (up to contract expiry in 2028) it is likely to result in a significant claim to be submitted by the operator and would impact the offer available to residents.
- 3.1.2 Alternative options have been considered, the Council has a statutory duty in respect of the building and doing nothing is not an option to ensure appropriate risk management.

3.1.3 The timely appointment of a contractor via single tender action was deemed necessary to respond to the Councils obligation and mitigate against the associated financial risks.

4. POST DECISION IMPLEMENTATION

4.1 The Committee are requested to note the extent of the remedial programme and the associated timescales (at Appendix B) to bring the facility back into full effect by May 2020.

4.2 The Council will continue to work with the project team and GLL to ensure that communication is provided to customers and a re-launch of the facility is promoted.

4.3 The Councils Sport & Physical Activity Project (2014/15) highlighted Finchley Lido as a medium-term priority within the Feasibility Study reported to Policy and Resources Committee (2015), which highlighted that significant future investment would be required to meet modern facility standard and to meet operational efficiencies as it reaches its optimum lifespan.

4.4 As such and noted within the Adults & Safeguarding Committee; Fit & Active Barnet Annual Update report (September 2019), a future feasibility study and options appraisal of the facility will be reviewed in 2020/21 and reported to for consideration.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.2 The Councils Corporate Plan, Barnet 2024 references outcomes: a pleasant, well maintained borough that is protected and invested in, residents living happy, healthy, independent lives, and safe and strong communities where people get along well.

5.3 The maintenance of Finchley Lido Leisure Centre is a crucial part of supporting the Corporate Plan, ensuring that residents have a facility which provides opportunities to participate in physical activity, community and health initiatives.

5.4 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.4.1 The Council received a quotation via Guild under single tender action, this was reviewed against benchmark rates and construction indices to ensure the rates allowed are fair and reasonable.

5.4.2 The total value of the remedial programme is estimated at £852,660 and is funded from the Asset Management Fund. All associated costs have been scrutinised by the

project team cost consultant who has provided an appropriate assessment of costs submitted by Guild.

- 5.4.3 The ongoing loss of revenue impact has been reviewed at several stages since from March 2019. This has included GLL submitting evidence in relation to specific areas of operating the service (eg income and expenditure mitigations). A final claim and settlement is expected to be agreed between GLL and the Council by April 2020.

5.5 Social Value

- 5.5.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.
- 5.5.2 As set out in the council's Contract Procedure Rules, commissioners should use the Procurement Toolkit, which includes Social Value guidance. The Contract Management Toolkit should also be used to help ensure that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through the contract management process.

5.6 Legal and Constitutional References

- 5.6.1 Under Rule 6 of the Council's Contract Procedure Rules, a Single Tender Action is the awarding or entering into a Contract with a contractor without undertaking a competitive tendering exercise. This is permitted only in exceptional circumstances and needs to be approved in advance by the Commercial & ICT Services Director. The approval to appoint Guild Architectural Services Phase 1 & 2 was agreed by Commercial & ICT Services Director on 06 September and 12 December 2019.
- 5.6.2 Consideration was given in undertaking a tender exercise for the Phase 1 and Phase 2 works. However, given constraints, especially the need to respond in a timely manner delivering a full procurement exercise for each stage was concluded unviable.
- 5.6.3 Any delay in proceeding with the Phase 2 works (agreed in December 2019) would result in a further accumulation of costs for temporary propping, scaffolding and security. The Council would also continue to incur revenue penalties during this period from the leisure operator.
- 5.6.4 It was concluded that Guild have a unique understanding of the structure and the proposed remedial and have demonstrated their ability in delivering other Council works.

5.6.5 Under the Council's Constitution, Article 7, the terms of reference of the Financial Performance and Contracts Committee includes the following responsibilities:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults and Safeguarding Committee; Children, Education and Safeguarding Committee; Community Leadership and Libraries Committee; Environment Committee; and Housing and Growth Committee.
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy and Resources Committee and/or theme committees on issues arising from the scrutiny of external providers

5.6.6 At the request of the Policy and Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee

5.6.7 To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

5.7 Risk Management

5.7.1 All identified risks are captured on the project risk register, monitored and updated by the project team. Where applicable, risks are escalated via the Capita Project Team to the Council Monthly progress meetings are held between the Council, the Capita Project Team, Guild and GLL.

5.7.2 If key identified risks materialise, the likely associated costs and the current residual design life of the facility in any remedial option would likely be financially unviable. Assessments have been undertaken throughout Phase 1 and in Phase 2 to ensure that any expenditure demonstrates value for money in consideration of longer term options.

5.7.3 All dry-side areas of the facility remain open and accessible to customers, with operations being monitored by GLL.

5.7.4 All works are carried out in accordance with statutory requirements and building regulations.

5.8 Equalities and Diversity

5.6.1 The Equality Act 2010 requires organisations exercising public functions to

demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

5.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation; marriage and civil partnership.

5.9 Corporate Parenting

5.7.1 Not applicable.

5.10 Consultation and Engagement

5.10.1 The Council has issued statements in partnership with GLL in March 2019 and throughout co-ordination of the remedial activity.

5.10.2 Further communication in relation to a confirmed opening date of the full facility will be advised by 31 March 2020.

5.9 Insight

5.9.1 not applicable.

6. BACKGROUND PAPERS

6.1 <https://open.barnet.gov.uk/dataset/2yzqv/leisure-operating-contract-201728>

6.2 <https://barnet.moderngov.co.uk/documents/s43032/DPR%20Leisure%20Management%20Award.pdf>

6.3 <https://barnet.moderngov.co.uk/documents/s21253/Appendix%206%20-%20Feasibility%20Study.pdf>