



## CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT

|                                |   |
|--------------------------------|---|
| <b>Title</b>                   | Authorisation for single tender action on Finchley Lido Leisure Centre to undertake Phase 3 atrium & structural remedial works.   |
| <b>Report of</b>               | Executive Director for Adults and Health  |
| <b>Wards</b>                   | All   |
| <b>Status</b>                  | Public  |
| <b>Enclosures</b>              | Appendix A – Phase 3 Costs, Appendix B – Programme, Link to approved Phase 1 & Phase 2 DPR (Section 6.1).   |
| <b>Officer Contact Details</b> | Chris Smith, Assistant Director of Estates,<br><a href="mailto:Chris.Smith@barnet.gov.uk">Chris.Smith@barnet.gov.uk</a><br>Andrew Conroy, Property Director<br><a href="mailto:Andrew.Conroy@capita.com">Andrew.Conroy@capita.com</a> |

### Summary

In September 2019, the Council entered into Contract with Guild Architectural Restoration (GAR) to provide enabling works, structural propping and investigations to the roof structure at Finchley Lido Leisure Centre (Phase 1 works). This was authorised by DPR dated 12 September 2019. Phase 1 Investigation results revealed damaged apex connections, numerous cracks and splits within the structural timber glulam beams and a vast majority of columns exhibiting corrosion or signs of corrosion. Subsequently the phase 2 DPR was drafted and authorised in December 2019 to undertake remedial works in the wetside of the facility.

Both Phase 1 and 2 works are now complete, a copy of both DPR's be accessed via hyperlink in section 6.1.

in order to proceed with Phase 3, approval must be sought to complete these works and restore the Leisure Centre into full use.

From the initial suite of investigations, we understand that the structural damage is duplicated throughout the facility, which is why the final stage of works includes the changing rooms & the studio / gym area within the dry side of the leisure centre, areas now accessible due to the COVID 19 shutdown.

This DPR seeks approval for the Council to enter into a new Phase 3 contract to undertake the following works: changing room column repairs, atrium glazing replacement works, 3no. apex connection repairs and the remaining box sections that span the dry side of the facility, which are necessary to restore the Leisure Centre into a safe and usable condition thus minimising, amongst other things, loss of revenue claims. At present the wetside of the facility has been remediated, with the exception of the changing rooms, these works will take place upon the approval of this DPR. Scaffolding is currently in place to allow access to facilitate the atrium works. It is imperative that urgent action is taken to remediate the defective areas to enable them to be opened to the public again and to remove the requirement for this equipment, reducing unnecessary budget spend. These remedial/Phase 3 works will be undertaken under a new Articles of Agreement which will incorporate JCT Minor Works Building Contract with contractor's design 2016. With regards to Covid-19, a clause will be implemented into the contract to reflect the effects of lockdown.

The atrium works arose over the wet period between January and February, a significant volume of water began to track into the internal leisure centre onto the newly remediated structure. The newly blast cleaned steels immediately began to oxidise, to ensure the facility can withstand the elements and last a minimum of 5 years, we deem these works necessary to retain structural integrity.

These works are planned to be in 2 separate stages which will eventually overlap:

1. Stage 1 – Apex Connection / Changing room column remedials;
2. Stage 2 – Atrium water ingress remedials

The new programme of works anticipates a November completion date however, the atrium works are subject to the covid-19 lockdown being lifted by the 25<sup>th</sup> May 2020.

The Councils Leisure Management Contract (2018-2028) outlines the agreement in place regarding Loss of Revenue. The specific provisions are identified within Schedule 23 and outline;

“Subject to the provisions of this Schedule 23 (Loss of Revenue), any Loss of Revenue shall be calculated in respect of each relevant activity by determining the anticipated daily Revenue for the relevant activity in question for the period in question (the "Anticipated Daily Revenue") and deducting from that sum the actual daily revenue received for the relevant activity in question for the period in question.”

The Council are attempting to expedite the works in a timely and efficient manner in order to minimise a loss of revenue claim and keep the period that the facility is closed to a minimum. To further minimise the period that the facility is closed, we envisage works to commence during the covid-19 lockdown period. However, the current costs within this proposal, are subject to the lockdown period being lifted by 25<sup>th</sup> May 2020.

## Decisions

- 1. To enter into a new JCT Minor Works Building Contract with contractor's design 2016 with Guild Architectural Restoration Ltd to undertake the Phase 3 structural remedial works / atrium remedial works at Finchley Lido Leisure Centre for the value of £586,165, estimated completion date 20<sup>th</sup> November 2020, comprehensive phase 3 programme: 28 weeks. Funds allocated and approved via Asset Management Fund (41501)**

### 1. WHY THIS REPORT IS NEEDED

- 1.1 Guild Architectural Restoration Ltd (GAR) have now completed the Phase 1 investigation works at North Finchley Lido and identified defects within the structural glulam beams, glulam apex connections and significant corrosion within the steelwork and columns. In response to these initial findings, Phase 2 was instructed and completed, these works resulted in the remediation of structural steelwork & glulam beams to the wetside of the leisure facility.
- 1.2 The storms in January / February revealed a number of leaks originating from the glazing units within the atrium and could not be foreseen prior to the approval of the Phase 2 DPR. The design for the remaining 3no. apex's over the gym / studio took place during phase 2, which is why these costs are within this phase 3 delegated powers report.
- 1.3 As the facility is now closed due to the covid-19 pandemic, there is an opportunity to complete the works previously inaccessible on the dry side, these being, the remaining apex connections, box sections and structural columns.
- 1.4 This report seeks approval via single tender action to enter into a new Phase 3 contract with GAR to proceed with the proposed Phase 3 works. The objective is therefore to ensure a smooth transition from Phase 2 to Phase 3 works, thus minimising cost, programme and ongoing disruption to the leisure facility. If the remaining elements of the structure are not remediated, we cannot guarantee the facility will be safe for use by members of the public.
- 1.5 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.

- 1.6 We have considered undertaking a tender exercise for the Phase 3 works, however given that time is of the essence and the fact that we currently have access for remediation in place, we deem single tender action the most appropriate route. To remove the current access and re-erect at a later date would incur costs in excess of £150,000. Delay in proceeding with the Phase 3 works will subsequently accumulate costs for temporary propping, scaffolding and security. We continue to incur revenue penalties during this period from the leisure operator. GAR have a unique understanding of the structure and the proposed remedial works as they dealt with the Phase 1 / Phase 2 works. GAR will be using the same sub-contractor for the remaining apex connection repairs that completed the Phase 2 repairs, all costs have been compared against benchmarks and thoroughly scrutinised.
- 1.7 On the wetside the Glulam beams required resin injections to ensure safety however, this is not replicated for the remaining glulam beams on the dry side and therefore the Structural Engineer has proposed a more cost effective solution. Upon approval of this DPR, a proposal will be submitted to Building Control to approve the alternative construction methodology.
- 1.8 A surveyor was instructed to confirm the damage and remedial requirements for the atrium and a future risk of failure was identified within the atrium rooflights, hence the recommendation of replacement. A number of quotes were obtained and scrutinised, the preferred option selected, provides a 5-year guarantee which will see the facility through to the end of its estimated lifespan. If the water ingress is not remediated, the structural works completed to date will not be warranted. A number of quotations were received for these works, the option selected is advantageous being £40,000 cheaper and offers an additional 3 years warranty. Capita's surveyor will be undertaking regular inspections with regards to the atrium works, ensuring the appropriate criteria is achieved. Additionally, the surveyor has made a number of recommendations regarding periodic maintenance to the roof, particularly cleaning of the external drains 3 times per year to minimise build-up of debris, which may cause an acceleration of water ingress via ponding.
- 1.9 Finchley Lido Leisure Centre (1996) 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. Finchley Lido is circa 23/24 years old and has been subject to a programme of lifecycle maintenance as part of the previous and existing leisure management contract, with specific regard to issues relating to the asset condition.
- 1.10 The likely associated costs with extending the programme via a tender exercise for the remedial works would be financially unviable. The key factor for Phase 3 remedial works is time. Prolongation of remedial works will impose further cost implications against the Council. Particularly in light of covid-19 where there are limited opportunities to novate the current onsite arrangement to an alternative contractor.
- 1.11 Capita's structural engineer has advised that further intrusive investigations will be required in the changing rooms, including breaking out of the existing concrete plinth beneath the columns. It is apparent that remedial works to numerous columns have been applied in

previous repair attempts, without this information we are unable to foresee what damage may lie beneath the plinths until further investigations are undertaken, these works are costed within this DPR budget.

- 1.12 Guild Architectural Restoration have previously secured a contract with the Council at Hendon Cemetery and Crematorium as part of a competitive tender process. They have also demonstrated previous relevant experience in this area and successfully completed the Phase 1 / 2 propping and investigations / remedial works for this project.
- 1.13 The costed proposal includes repairs to the remaining apex connections grid ref I, J, K. The costs also include for structural repairs to 9no. heavily corroded columns. The scope of works for 9no. columns includes comprehensive blast cleaning of corroded areas, reapplication of anti-corrosion paint and a welded steel collar for structural support. The final items for remediation included within the costed proposal include replacement of the atrium glazing, external drainage works and replacement of the remaining box sections at the eaves.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The Council has received a quotation for the Phase 3 works from GAR. The quotation has been reviewed against benchmark rates and construction indices to ensure the rates allowed are fair and reasonable.
- 2.2 Approval from the Commercial & ICT Services Director was sought and approved on 24/04/2020 to proceed in line with Rule 6 (Single Tender Action) of the Council's Contract Procedure Rules.
- 2.3 The remedial works are required to bring the facility back into full use for the general public and allow the Council to meet its obligations in respect of sports and physical activity. The works are also required to reduce the current revenue claim levied against the Council by GLL, which will continue to accumulate until the facility is brought back into full use, coupled with ongoing propping hire and scaffolding costs currently required to accommodate the atrium works.
- 2.4 This report confirms the appointment of Guild Architectural Restoration Ltd under a new Phase 3 Articles of Agreement (which will incorporate JCT Minor Works Building Contract with contractor's design 2016) to undertake Phase 3 structural / atrium works at Finchley Lido. GAR's works to date have been monitored and inspected via our structural engineer to ensure the appropriate level of remedial quality and structural safety is met. Phase 2 works have exceeded our expectations and we are very pleased with the standard of work to date.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 If this contract is not awarded as per the recommendation the Council will be exposed to ongoing loss of revenue claims from GLL. The facility will continue to be unsafe for use, if

the remedial works to the remainder of the facility are pushed back, they will need to be remediated in the near future.

- 3.2 Not undertaking the works is not an option, as the facility is needed for the provision of sport and physical activity to residents of the borough.
- 3.3 Alternative options have been considered, however the necessity for timely appointment given the large financial liability, single tender action is deemed the best option.
- 3.4 Doing nothing in this case is not an option given the cost implications. The Council have a statutory duty in respect of the building.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 A new Phase 3 contract will be drafted, ensuring that work can commence as soon as possible, minimising the financial impact against the council.
- 4.2 The works will be undertaken via a new Phase 3 Articles of Agreement (which incorporate JCT Minor Works Building Contract with contractor's design 2016). A covid-19 clause will be implemented, this has been discussed and approved by HBP Law.
- 4.3 Once the Articles of Agreement (which incorporates JCT Minor Works Building Contract with contractor's design 2016) has been drafted, signed and sealed, a purchase order will be raised.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 The project constitutes an emergency response given no previous issues had been reported at the facility. However, increasing levels of sport and physical activity in the borough is a core part of the council's corporate plan, Barnet 2024, and is a specific objective for both the Adults and Safeguarding Committee and the Health and Wellbeing Board. Swimming is one of the most popular physical activities in the borough. Restoring the two pools at Finchley Lido to public use is essential to meet the council and committee plan requirements.
- 5.1.2 The Council has agreed a new five-year Corporate Plan, Barnet 2024, with new 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. The project will support the Council's approach to Barnet 2024, in particular by maintaining facilities that support healthy living, recreation and social cohesion.

##### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The fixed price for the Phase 3 works is £675,000 plus VAT. The budget is comprised of contractor costs at £586,165, Capita fees and a contingency of £61,360.40. Therefore, the overall budget is £675,000. These figures are subject to the covid-19 lockdown being lifted by 25<sup>th</sup> May 2020, if the lockdown remains the programme will incur additional costs.
- 5.2.2 This is funded from the Asset Management Fund (41501), agreed and allocated by the Assistant Director: Estates in consultation with Dep Chief Exec in April 2020 and will be monitored in consultation with the Greenspaces & Leisure team. The council approved the Asset Management Funds overall budget at the Policy & Resources committee in February 2020 as part of the capital programme.
- 5.2.3 The nature of construction works means that changes may be required as works progress, with associated costs, resulting in reductions or increases in the contract value. The project team includes a cost consultant who will be able to provide assessment and appropriate scrutiny of cost where an event occurs. Any changes would be subject to appropriate project governance and adequate contingency funding whilst remaining in the approved project budget.
- 5.2.4 The Council relies on the Council's Contract Procedure Rules (CPRs), Rule 6 (Single Tender Action) and seeks to rely on rule 6.1 to award this Contract to Guild Architectural Restoration Limited.
- 5.2.5 The programme for the works is scheduled to commence upon instruction to Guild Architectural Restoration Ltd and will take approximately 28 weeks to complete. The Phase 3 works will be managed and monitored by CSG as part of the agreed brief in March 2019. This will include progress updates, risks and reports to be provided to the Greenspaces and Leisure Service. Preparation works to remediate the apex connections can commence imminently once an instruction is issued. Due to the current global pandemic, the atrium works will commence once the lockdown is relaxed.
- 5.2.6 Finchley Leisure Centre is owned by the Council and the tenant GLL, has been fully engaged throughout the process and supports the programme of works. All works will be carried out in accordance with statutory requirements and building regulations.

### 5.3 Social Value

- 5.3.1 Remedial works to Finchley Leisure Centre supports the Public Services (Social Value Act) 2012, by bringing back into use a facility which supports social, economic and environmental benefits.

### 5.4 Legal and Constitutional References

- 5.4.1 Whilst contracts of this value fall below EU competitive tendering thresholds for construction works projects, this report is in line with the authorisation process as required by the Council's Contract Procedure Rules (CPRs). The Council's Constitution, Article 10 – Decision Making, Table B sets the authorisation delegated powers thresholds, and delegates power to an Approved Officer. Given that the financial commitment is between £500,000 - £4,733,252, and within the current budget allocation

the appropriate authorisation route is via Full Delegated Powers Report, signed by the appropriate chief officer in consultation with theme committee chairman.

- 5.4.2 Rule 6.1 (Single Tender Action) of the Council's Contract Procedure Rules (CPRs), allows the Council to award a Contract to a Contractor without undertaking a competitive tendering exercise in exceptional circumstances. The Single Tender Action is subject to the approval of the Commercial & ICT Director which has been sought and attained.
- 5.4.3 Legal have prepared the Articles of Agreement/Contract and will arrange for them to be executed by both parties due to the requirement for execution via deed.

## 5.5 **Risk Management**

- 5.5.1 Risks relating to entering into a new contract with GAR for Phase 3 and the wider project are identified and monitored through the project risk register, maintained by the Project Team. Risks are monitored by the Project Team and the risk register updated as required. Any significant risks will be reported to the LBB Client, in accordance with the Council's risk management framework.
- 5.5.2 It is not considered that entering into a Contract with GAR for the Phase 3 works is likely to raise significant levels of public concern.
- 5.5.3 If works are not carried out the Council will continue to be exposed to significant revenue penalties/claims by the incumbent leisure provider GLL. The Council will not be able to satisfy its commitments in respect of sports and physical activity.

## 5.6 **Equalities and Diversity**

- 5.6.1 There are no equality implications arising directly from the decision set out in this report and the entering into this Contract does not compromise the Council in meeting its statutory equalities duties.

## 5.7 **Corporate Parenting**

- 5.7.1 N/A

## 5.8 **Consultation and Engagement**

- 5.8.1 A formal consultation is not required in relation to entering into this Contract.
- 5.8.2 No parties other than the Council and the tenant are directly affected by the proposed decision.
- 5.8.3 Engagement has taken place with the service to define and confirm requirements and with the tenant in relation to the proposed works.

## 5.8 **Insight**

- 5.8.1 N/A

## 6. BACKGROUND PAPERS

- 6.1 The following link refers to the approved Phase 1 DPR:

<https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7342>

The following link refers to the approved Phase 2 DPR:

<https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7427>

Barnet Councils financial forward plan and capital programme:

[https://www.barnet.gov.uk/sites/default/files/financial\\_forward\\_plan\\_and\\_capital\\_programme.pdf](https://www.barnet.gov.uk/sites/default/files/financial_forward_plan_and_capital_programme.pdf)

## 7. DECISION TAKER'S STATEMENT

- 7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision-making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations. The decision is compliant with the principles of decision making in Article 10 of the constitution.*

Chairman:

Has been consulted

Signed



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Date: 04.05.2020

Chief Officer:

Decision maker having taken into account the views of the Chairman

Signed

A handwritten signature in black ink, appearing to read "B. Wakeford".

Date: 04/05/2020

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## APPENDIX A – Phase 3 Costs

| Ref | Description   | Unit | Qty | Rate   | Total        |
|-----|---|------|-----|--------|--------------|
|     | <b>EXTERNAL ROOF AREA</b>   |      |     |        |              |
| A   | Roof condition surveys  |      |     |        | £ -          |
| B   | reglaze atrium, install gantry, hoist, access scaffolding, as per quote 16/03/20  |      |     |        | £ 142,789.00 |
| C   | following roof survey, additional costs to original quote for repairs to the leaks to the existing roof on the ridge elevation  |      |     |        | £ 12,300.00  |
|     |   |      |     |        |              |
|     | <b>AREA 1</b>   |      |     |        |              |
|     | <u>Temporary Support of Structure &amp; Access</u>  |      |     |        |              |
| A   | Allow for extended duration of temporary supports structures - items A1 & A2  | wk   | 10  | 2171   | £ 21,710.00  |
| B   | Allow for extended duration of access equipment - item B  | wk   | 9   | 5850   | £ 52,650.00  |
| C   | Allow for extended duration of Additional scaffolding working lift above crash deck in order to safely access apex repairs and steels at base of roof lantern                                 |      | 9   | 270    | £ 2,430.00   |
| D   | Allow for extended duration of Internal -Electric Hoist & running beam, 5kva transformer & leads from client's power supply install & hire  | wk   | 9   | 487    | £ 4,383.00   |
| E   | Allow for extended duration of Temporary propping to internal atrium mullions   | wk   | 9   | 360.5  | £ 3,244.50   |
| F   | scaffolding inspections   | wk   | 9   | 175.5  | £ 1,579.50   |
|     |   |      |     |        |              |
|     |   |      |     |        |              |
|     | <b>PHASE 3</b>  |      |     |        |              |
|     | <b>AREA 2</b>   |      |     |        |              |
|     | <u>Access Requirements</u>  |      |     |        |              |
| A   | access scaffolding & Crash Deck over studio and gym area to access glulam beam apex, central area only beneath atrium. Supply and fix scaffold with lifts to provide access to ceiling areas. | wk   | 8   |        | £ 38,476.00  |
| B   | allow for protection to flooring, sheeting, hoarding etc  |      |     |        | £ 10,000.00  |
| C   | scaffolding inspections   | wk   | 20  | 175.5  | £ 3,510.00   |
| D   | Extra over on Access hire based on apex repair sequencing   | wk   | 20  | 1923.8 | £ 38,476.00  |
|     |   |      |     |        |              |
|     | <u>Works</u>  |      |     |        |              |
| A   | Allow to install new steel collar to base of columns (changing rooms) as per SK07 rev A   |      | 9   | 3000   | £ 27,000.00  |

|   |  |    |   |        |              |
|---|--|----|---|--------|--------------|
| B | remove suspended ceiling to the glulam beam repair works area in the studio and gym, install new to match existing upon completion of glulam repairs |    | 1 |        | £ 7,500.00   |
| C | disconnect utilities to enable the above works   |    | 1 |        | £ 15,000.00  |
| D | Allow for new Apex connection - as per sequencing over approx 6 months   |    | 3 | 12350  | £ 37,050.00  |
| E | supply and install box section beams, powder coated finish as per existing, dispose of waste material  |    | 8 | 1286.5 | £ 10,292.00  |
| F | Electric Hoist & running beam, 5kva transformer & leads from client's power supply install & hire  | wk | 8 | 487    | £ 3,896.00   |
| G | Temporary propping to internal atrium mullions   | wk | 8 |        | £ 7,210.00   |
| H | dismantle, break down, removal of redundant gantry steels from grid H - L, including gantry trolley & clear from site                                |    |   |        | £ 4,599.00   |
| I | bolt replacement to base of atrium mullions and box section posts  |    |   |        | £ 3,988.00   |
| J | Builder's clean on completion  |    |   |        | £ 2,000.00   |
|   |  |    |   |        |              |
|   | <b>ADDITIONAL ITEMS</b>  |    |   |        |              |
| A | extra scaffolding & backpropping to support studio & gym floor   |    |   | 10000  | £ 10,000.00  |
| B | waste disposal of ceiling, utilities, etc & labour   |    |   | 3500   | £ 3,500.00   |
| C | allowance for AC re-gas, repair pipework, lagging, electrical works associated with AC   |    |   | 15000  | £ 15,000.00  |
| D | remobilisation costs for atrium reglazing to West section H - L if req'd after apex repairs  |    |   | 10000  | £ 10,000.00  |
| E | blasting to columns  |    | 9 | 4050   | £ 4,050.00   |
| F | temporary access - towers, podiums etc   |    |   | 2000   | £ 2,000      |
|   |  |    |   |        |              |
|   |  |    |   |        |              |
|   | <b>WORKS LISTED ABOVE</b>  |    |   |        | £ 494,633.00 |

| Ref | Description                  | Unit | Qty | Rate       | Total        |
|-----|------------------------------|------|-----|------------|--------------|
|     | Section 1 Preliminaries      | wks  | 28  | £ 3,269.00 | £ 91,532.00  |
|     | Section 2 - Preambles        |      |     |            |              |
|     | Section 3 - Pricing Document |      |     |            | £ 497,333.00 |

Delegated Powers Report

|                   |  |  |                 |
|-------------------|--|--|-----------------|
| To Form of Tender |  |  | £<br>586,165.00 |
|-------------------|--|--|-----------------|

## Appendix B – Programme

