

Item FIP 19/15 referred from Finance, Innovation and Property Advisory Board minutes of 5 June 2019

FIP 19/15 LARKFIELD LEISURE CENTRE CAPITAL SCHEMES 2019/20 - MECHANICAL, ELECTRICAL AND ROOFING WORK

The report of the Management Team provided an update on planned capital works to Larkfield Leisure Centre, identified the benefits of incorporating the replacement of the leisure pool hall roof into the scheme together with the cost implications of such an approach. In introducing the report, the Director of Street Scene, Leisure and Technical Services highlighted the efforts to be made to reduce the loss of income claim from the Leisure Trust; the need for a detailed risk assessment in view of recent information concerning the financial performance of the Kier Group of which the selected contractor, Kier Construction Ltd, was a trading arm; the funding shortfall and how it could be met; and the environmental considerations informing the design of the works to improve energy efficiency.

Details were given of comparative costs of undertaking the ventilation and boiler works and the roof project separately which demonstrated that the combined approach would be more cost effective and minimise the impact of closure on the customers and business of the Leisure Centre. Members were advised that the total capital and revenue cost estimate for the combined works in respect of ventilation, boilers, roof and space frame, including loss of income during the 36 week closure, amounted to £3.397m against a budget of £2.53m, resulting in a budget shortfall of £867,000.

Considerable discussion ensued and Members requested a report back to the next meeting on the risk assessment and an update on progress.

RECOMMENDED: That based on independent advice and detailed financial appraisal:

- (1) the proposed scheme outlined in the report to undertake a package of works to ventilation, boilers, leisure pool hall roof and space frame at Larkfield Leisure Centre be approved;
- (2) the increased cost of £867,000 be met from the Leisure Trust reserve and the Revenue Reserve for Capital Schemes and the relevant revenue and capital budgets be amended accordingly;
- (3) the works be progressed to commence early October 2019 for a period of 36 weeks;
- (4) liaison continue with the Tonbridge and Malling Leisure Trust to minimise the impact of the works on customers and the loss of income claim to the Council; and
- (5) officers be requested to undertake a risk assessment with respect to Kier and report back to the next meeting of the Advisory Board on 17 July 2019.

***Referred to Cabinet**

