

Executive Report

Ward(s) affected: All

Report of Director for Transformation and Governance

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Guildford Lido Drainage and Modernisation Project

Executive Summary

Guildford Lido is a popular, high profile site within Stoke Park. It was built in the 1930s and has a 50 metre open air swimming pool set in 6 acres of grounds. A survey has identified that the original drainage has failed and needs to be replaced. In order to access the drainage significant, consequential demolition is required. This presents an opportunity to update and modernise the changing, toilet and shower space at the Lido.

The works are to demolish the existing external changing rooms, WCs, and showers, break out the existing concrete slab and excavate and replace failed drainage. New foundations and slab to be cast. A new glulam timber frame and canopy to be erected with standing seam metal roof and clay tiles to cupolas. New changing facilities, WCs, and showers to be provided beneath canopy structure. The scheme also includes space for a new poolside refreshment kiosk and additional storage for the current operator, Freedom Leisure.

The proposed improvements include:

- Larger toilet cubicles and changing cubicles to meet current standards.
- Two accessible ambulant disabled toilet, shower, and wash hand basin.
- Increased toilet (five additional) and vanity (eight additional wash hand basins) provision.
- Increased shower facilities with four individual cubicles available.
- 12 family change cubicles.
- Better canopy coverage.
- Easier facilities to clean and maintain.

- Better ventilation and more natural lighting.
- Low energy LED lighting with smart controls.
- Water saving percussion operated showers, sensor taps, and dual flush cisterns.
- Better storage facilities for the operator and a larger poolside refreshment kiosk.

The scheme has been subject to an open tender process and nine tenders were received. The tenders were all significantly over budget. In order for the scheme to go ahead, a virement of £600,000 is required from the capital contingency to supplement the use of £1.5m from the ear-marked Leisure Partnership Reserve.

Recommendation to the Executive

To approve a virement of £600,000 from the capital contingency fund for the Lido Drainage and Modernisation Project to enable the project to start on time and hopefully be completed during the winter period to ensure the minimum disruption to the potential customers of the venue.

Reason for Recommendation:

The Lido cannot operate without satisfactory drainage, it is recognised that replacement of the failed below ground drainage is not practicable without the corresponding demolition of the changing facilities and breaking out of the existing concrete floor slab that sit directly above. The external changing facilities are beyond their economical and useful life expectancy. The existing facilities fall short of expected modern standards, which can be addressed as part of the process.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 This report asks the Executive to approve a virement from the capital contingency fund for the Lido Drainage Project to enable the project to start on time and hopefully be completed during the winter period to ensure the minimum disruption to the potential customers of the venue.

2. Strategic Priorities

- 2.1 The provision of the services detailed within this report support the Corporate Plan in respect of the Community theme in enhancing sporting, leisure, cultural, community and recreational facilities:

- By attracting visitors to the borough and making Guildford a more attractive place to live in. The venue offers a range of employment opportunities and facilities that businesses need.

- Through providing an enhanced leisure offer in an attractive, vibrant town.
- Through promoting physical activities and contributing to public health.

3. Background

- 3.1 Guildford Lido is a popular, high profile site within Stoke Park. It was built in the 1930s and is widely regarded as a hidden gem. The site has a 50 metre open air swimming pool set in 6 acres of grounds, which is open throughout the summer period (late April to September) and has recently offered restricted winter swimming the rest of the year. On a busy day the site will attract around 2,500 visitors, there is also a small specialist gym operating from the site. Attendance is typically around 80,000 visits per year however this is weather dependent and on a busy year will be significantly over this.
- 3.2 The venue is one of the three sites operated by Freedom Leisure on behalf of Guildford Borough Council under the Leisure Partnership Agreement (LPA). The drainage system and any consequential damage incurred during its repair/replacement is the Council's responsibility under the Leisure Partnership Agreement.
- 3.3 As part of the venue management plan, a drainage survey was commissioned by Asset Management in 2019 to assess the quality and condition of the system. The survey indicated the system had completely failed. The failed drainage is the originally installed system and requires essential replacement for the venue to remain operational.
- 3.4 The required works were split into two phases:
- 3.4.1 Phase one represented the work that could be done on site without significant upheaval and was completed during the winter season of 2020/21 these works were funded through revenue maintenance and were designed to facilitate continued operation of the venue in the short term.
- 3.4.2 Phase two, which is the topic of this report, is the bulk of required project works planned to start on site for the winter season 2022/23. This phase is a substantial project which required a significant lead in time to facilitate the procurement of specialist consultants, design of the solution, secure the necessary approvals and procurement and delivery of the final scheme.
- 3.5 In order to access the drainage, the changing facilities (including toilets and showers) have to be removed. The canopy over the changing facilities also therefore requires demolition. The proposed scheme represents an opportunity to modernise and increase the provision of some of these

essential facilities which will improve the customer experience, make the venue more accessible and hopefully make the site even more popular.

- 3.6 The works are to demolish the existing external changing rooms, WCs, and showers, break out the existing concrete slab and excavate and replace failed drainage. New foundations and slab to be cast. A new glulam timber frame and canopy to be erected with standing seam metal roof and clay tiles to cupolas. New changing facilities, WCs, and showers to be provided beneath canopy structure. The scheme also includes space for a new poolside refreshment kiosk and additional storage for the current operator, Freedom Leisure. The fit out of the refreshment kiosk will be funded by Freedom Leisure.
- 3.7 The proposed improvements include:
- Larger toilet cubicles and changing cubicles to meet current standards.
 - Two accessible ambulant disabled toilet, shower, and wash hand basin.
 - Increased toilet (five additional) and vanity (eight additional wash hand basins) provision.
 - Increased shower facilities with four individual cubicles available.
 - 12 family change cubicles.
 - Better canopy coverage.
 - Easier facilities to clean and maintain.
 - Better ventilation and more natural lighting.
 - Low energy LED lighting with smart controls.
 - Water saving percussion operated showers, sensor taps, and dual flush cisterns.
 - Better storage facilities for the operator (including the wheelchair hoist storage) and a larger poolside refreshment kiosk.
- 3.8 A range of external specialist advisors were procured to assist in the design and specification of the scheme. This included an Architect (Lytle Associates), consulting Mechanical and Electrical (M&E) engineers (FHS ESS), and quantity surveyors (Press and Starkey) as well as a number of other contributors to the client design team. The Project Management and Contract Administrator is being done in-house.
- 3.9 The proposed scheme was part of the approved capital programme funded from the specialist Leisure Partnership Agreement reserve. This reserve was set up prior to the commencement of the Leisure Partnership Agreement (LPA) in October 2011. This reserve is specifically for schemes at the three LPA sites and facilitates the funding of schemes in a timelier way than the standard capital schemes funding process. Scheme funding from the LPA reserve is released by the Chief Financial Officer under delegated powers.

- 3.10 The proposed scheme requires planning permission and building regulations compliance. The proposed scheme has met all the necessary requirements for the statutory consents.
- 3.11 The expected project cost was originally estimated in June 2021 by the external Quantity Surveyor (QS). Due to the current unprecedented world situation and the resulting pressure on the economy and world markets, the scheme was re-evaluated by the QS in April 2022. At that stage the scheme was expected to cost in the region of £970k including a contingency provision (excluding fees and statutory consents). A further allowance was made for the accelerating inflation rate resulting in the entire scheme, including fees and contingency, being expected to be in the region of £1.2m.
- 3.12 The programme for the scheme is challenging due to its complexity and available timeframe for the works. Ideally the scheme needs to commence on site on October 3rd and complete by 31 March 2023 to facilitate the Lido being ready to open for the 2023 summer season at the end of April. This programme is weather dependent as there are significant amounts of ground works to be completed. This work would typically be done in the summer period to reduce the risk of weather impacts. Key risks of the project are detailed in Section 5.
- 3.13 The procurement was via an open tender process facilitated by the Procurement team and validated by colleagues in Legal. The tender was returned at the end of July and evaluated accordingly. The nine submissions (ranging from £1.7m - £2.1m) included a requirement for a detailed programme. The contract has not yet been awarded due to the shortfall in funding.
- 3.14 The QS was asked to review the tender submission and provide feedback on why the estimate was so different from the tender submissions. The entire narrative of their feedback is at Appendix A. An extract of their comments includes:

“...there have been significant increases in cost in all elements of the project which I think reflects the fairly unprecedented times (at least in recent years) that the construction industry is facing. There are now numerous cost pressures on the industry and very substantial risks that Contractors are having to manage in terms of obtaining fixed price quotations and their ability to forecast outturn construction costs which we are seeing having a major impact on tender prices across a variety of different types of project...”

In summary I think it is fair to say that the project is more complex and involved than was perhaps envisaged in the original estimate, but tender prices have seen very major increases across the board for the reasons mentioned above.

In our opinion the key factor that can't be underestimated is that of risk. In a number of trades now Contractors are either unable to obtain fixed price quotations, or where fixed these prices are being held open for a very limited period of time. Contractors are therefore in our experience being extremely cautious about prices and where there is any doubt are pricing the risk accordingly."

4. Consultations

- 4.1 The project and design have been discussed in detail with Freedom Leisure (FL) on a number of occasions from an operational perspective and with representatives from Friends of Guildford Lido (FOGL) to represent a customer perspective. Representatives from FL and FOGL were invited to and attended a site visit to assess the intended cubicle offering from the chosen supplier.
- 4.2 The proposed detailed scheme has been presented to key councillors on a couple of occasions and a general presentation accessible to all councillors is programmed for 19 August 2022.

5. Key Risks

- 5.1 A detailed project risk assessment has been prepared. Key risks include:
 - Weather.
 - Ongoing inflationary rises.
 - Material availability and manufacture timelines e.g. Glulam frame.
 - Specialist labour availability & risk of pandemic.
 - Insufficient time to deliver the programme in the winter season resulting in loss of part of summer season and claim for lost net income from leisure provider.

6. Financial Implications

- 6.1 With an allowance for fees and a contingency a total scheme budget of £2.1m is felt to be prudent. There is available funding for £1.5m in the earmarked LPA Reserve so a virement from the capital contingency of £600k is required to meet the potential total cost of the project.
- 6.2 As the capital contingency is part of the approved capital programme there are no additional revenue costs arising from the approval of this virement.
- 6.3 The LPA Reserve has £1.5m available to partially fund the scheme. The planned release of this funding will result in the reserve being depleted. If unforeseen circumstances at the three leisure sites require capital funding then the only option will be within the normal capital scheme arrangements.

- 6.4 In the event of the project over-running then the Leisure Partnership Operator would be able to claim for lost net revenue. This would require the application of a standard mechanism within the LPA and the operator is required to mitigate against this circumstance. Whilst this is a risk, the financial impact would start small and be progressively more significant as the summer season progressed.

7. Legal Implications

- 7.1 The Council has an obligation under clause 38.2 of the LPA to undertake maintenance, repairs and replacements as set out in the asset management responsibilities in schedule 14. A failure to do so would be a breach of the LPA. In accordance with 9.6 of schedule 14 of the LPA the Council is required to repair and replace the external drainage system.
- 7.2 A procurement exercise has been undertaken to ensure that the award of the contract is compliant both with the Public Contract Regulations 2015 and the internal Procurement Procedure Rules.

8. Human Resource Implications

- 8.1 There are no additional HR implications as a result of this scheme.

9. Equality and Diversity Implications

- 9.1 An Equalities Impact Assessment (EqIA) is being prepared for this scheme. A design and access statement was prepared and approved as part of the planning application.
- 9.2 The scheme has been designed to take into account the modern access standards where they possibly can across the affected site. This includes introducing ambulant accessible toilet, shower, and wash hand basin provision, private shower cubicles, accessible counter to poolside kiosk, and wheelchair friendly design throughout.

10. Climate Change/Sustainability Implications

- 10.1 As part of the Council's climate change initiative, APSE was commissioned to undertake an energy audit of the Lido site including the external changing facilities. The scheme meets all recommendations of the APSE report in relation to this area including energy saving and water saving technologies. The Mechanical and Electrical Engineers were commissioned to evaluate the most efficient solution for the additional M&E services. The recommended solution has the highest energy rating of A+. These initiatives are highlighted in 3.7 above.

11. Options

- 11.1 If the Lido is to continue to operate, then the drainage issue must be addressed. The project has been reviewed in detail from a value

engineering prospective, the savings identified without compromising the scheme are minimal by comparison to the shortfall in funding.

12. Conclusion

- 12.1 This work is essential as the drainage is intrinsic to the service delivery. This project represents an opportunity to improve the customer experience at the venue which will hopefully increase the visits further.
- 12.2 The appointment of the winning contractor from an open procurement represents the best market offer available. Any delay to these works is very likely to increase the costs significantly in the current market climate.

13. Background Papers

- 13.1 None

14. Appendices

- 14.1 Full narrative of the QS feedback from Press and Starkey is at Appendix A