

## ANNEXE 7

Capita Symonds has reviewed the preferred options for the leisure centres at Cranleigh, Farnham and Godalming. Capita Symonds Development Monitoring team understands that Waverley will obtain third party verification of DC Leisure's projections and plans that have been used in the preparation and consideration of the proposed options.

We would note that all the schemes are of a refurbishment nature on reasonably old buildings (save for some minor extensions) and as such represent a risk that the works will uncover defects or obstructions that could not have been reasonably foreseen at the time of the surveys, or by the tendering contractors. Whilst the project team has allowed for contingency within the cost plans for the various buildings, and the design and build contract will delegate some of this risk to the Contractor, it will always be a risk in works of this nature that cost overruns will be incurred.

Our thoughts on the options proposed at the three leisure centres are:-

### **Cranleigh**

We have assessed the proposals for Cranleigh Leisure Centre which are not substantially different from those proposed in February 2008. The scheme generally incorporates internal re-organisation of the facility to make the public circulation areas more welcoming and internal re-organisation to improve its functionality.

The surveys undertaken at Cranleigh identify that, whilst there are relatively few urgent maintenance issues at the centre, there are some that will need to be undertaken in the near future. We understand that these are to be deferred to the existing maintenance programme; however we would recommend that Waverley Borough Council ensures that the relevant maintenance budget has sufficient funds to accommodate the identified works so that the full value of the proposed enhancements and refurbishment can be realised. These ongoing maintenance costs have been estimated by DCL's project team and are included within Annex 4 of this report.

The proposed works at Cranleigh, whilst still presenting a risk, are of a much simpler nature than those proposed at the other two centres and as such this should be the simplest to undertake

### **Farnham**

The proposals for Farnham have been significantly altered due to the poor ground conditions there. Accordingly the designs now largely represent a re-working of the internal areas to accommodate the facilities required.

We concur that the reported ground conditions would significantly increase the cost of the original proposals, or conversely decrease the level of enhancement that could be achieved for the budgeted costs. As such the decision to utilise internal space to achieve better revenue returns would be more efficient from a construction cost perspective.

Whilst the re-organisation of the internal areas is the most feasible construction approach to accommodate the additional fitness requirements (and there is some inefficiently used space in the existing arrangement), it is necessary to reduce the space currently provided for other activities.

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Some of the 10 enhancement options proposed are more expensive than the original proposals however the design team estimates that the preferred option can be delivered within the original budget. Moreover the preferred option, of using half of the sports hall to create a new fitness suite, is the most desirable from a leisure perspective as it retains the widest range of sports.

The surveys undertaken at Farnham have identified that there are some urgent Mechanical and Electrical Services works required at the centre which will cost in the region of £135,000 which are not currently included in the refurbishment scheme. Additionally other works required, which are not of the same urgency, are deferred to the Council's maintenance programme. We would recommend that Waverley Borough Council ensure that sufficient funds are ring fenced in the appropriate budgets so that these works can be undertaken and the full value of the capital works can be realised. We understand that Waverley's Property Maintenance Team and the DCL project team are currently working to identify the likely ongoing maintenance costs at Farnham Leisure Centre.

### **Godalming**

The survey works at Godalming have identified that the building is in a worse condition than had originally been anticipated when the original enhancement and refurbishment proposals were drawn up. The building has some significant structural and services issues that will need to be addressed, some of which in the next few years. It is currently reported that the future maintenance and repair budget could be in the order of £2.8m over the next 15 years with the majority likely to be required in the first 5 years.

To undertake refurbishment or enhancement on this centre would be inherently risky and, despite the expenditure of significant funds on such a capital project, the centre could still be at risk of closure or reduced operation within the following five years. It is estimated that, following such a programme of capital works, such as those contained in either options 3, 4 or 5, there may still be a requirement for circa £2m worth of additional maintenance, again most of it being in the first 5 years. It is likely that any such additional repairs and maintenance could require parts or the whole of the building to be closed for a considerable amount of time whilst the works are undertaken.

We would also note that the enhancement and refurbishment proposals include for construction activity in the vicinity of parts of the building which are recognised as being fragile. There is therefore a risk of the proposed construction works advancing and increasing the risk of closure or reduced leisure provision. The key concerns are the pool tank which, it is reported, is at risk of failure if it is emptied or disturbed during works around it (such as the portal frame repairs, excavations or roof replacement) and the filtration plant which is near the end of its serviceable life.

The preferred option for Godalming is now to address any urgent structural and services work that is required at the centre to keep it safe and operational. We understand that Waverley Borough Council's property maintenance and building control teams will soon assess the building to determine the exact works required and to prepare budget costs.

It is not proposed that any refurbishment or enhancement be undertaken.

Capita Symonds concurs that this option mitigates the risk that significant refurbishment and enhancement expenditure will be wasted if the centre is not operational soon after the works are completed.

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It does however remain a risk that any urgent works option could have an impact upon the facility, in terms of bringing forward the requirement for future maintenance and repairs. However with the additional financial flexibility available, by not undertaking refurbishment and enhancement, the risk to Waverley Borough Council is reduced, although there could be closures whilst any additional works are undertaken.

The other options for Godalming are to undertake the urgent works identified in the approved refurbishment and to undertake various enhancement works to the existing facility (options 3, 4 and 5). It is our opinion that, whilst the financial risk is less than that of the original full enhancement and refurbishment programme, the risks of increased costs, closure and reduced leisure provision would remain the same. Additionally any works that are required post completion of any of the other options may have to be disturbed during ongoing repair and maintenance of the facility.

It should be noted that construction works on old buildings, especially those that are in a poor condition, are inherently risky as the true extent of defects and construction problems cannot be identified until any works commence. There is therefore a risk that additional costs may be incurred during the course of the urgent structural and services works.

Capita Symonds accepts that the initial cost of a new facility at Godalming would be in excess of the current budget. However if there is the possibility of a new build leisure facility at Godalming in the future, we would advise that the option is given consideration now to establish whether the savings in maintenance, operational costs and management fees suitably offset new build construction costs. Waverley Borough Council may also wish to consider whether it would be feasible to adopt a phased approach to a new centre at Godalming that could offset some of the risk.

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