

FUNDING ARRANGEMENTS FOR THE CONSTRUCTION OF EXTENSIONSTO NEW MILTON AND LYMINGTON HEALTH AND LEISURE CENTRES

1. INTRODUCTION

- 1.1 It is proposed that an extension is built adjacent to the existing small workshop to the rear of the main Sports Hall at New Milton, as the current facilities are very cramped, leading to a poor working environment for the Centre Technician and conditions which are not conducive to safe and healthy working.
- 1.2 Additionally, it is proposed to build an extension to the rear of the main Sports Hall at Lymington. Again the main purpose is to overcome health and safety objections to current methods of working, also there is a small increment to income to be gained from greater use of the Hall.

2. BACKGROUND

- 2.1 Both schemes were approved as part of the 2004/05 programme with budgets based on cost estimates provided in 2001/02. The larger of the two schemes, at Lymington, was delayed pending agreement with School Governors. Subsequently agreement having been reached both schemes were tendered but the prices returned exceeded the budget provision by some way.
- 2.2 Property Services Section is reviewing the timing and methods by which cost estimates are generated for future new-build schemes. Last year's budgets versus bids were as follows:

	Bids	Budgets	Shortfall
Lymington Extension	£37,000	£23,000	£14,000
New Milton Extension	£23,000	£15,000	£ 8,000
Total	£60,000	£38,000	£22,000

- 2.3 Tenders were appraised in August last year and it was decided to defer the schemes until member approval for further funding could be sought. In September last the Contracts Officer left the Council, followed by the Property Services Manager who retired at the end of October.

3. DISCUSSION

- 3.1 It is not considered wise to defer these schemes for any longer than really necessary, given that the health and safety reasons for proposing the schemes in the first place have not gone away. Additionally, the deteriorating condition of the temporary equipment store at Lymington means that part of the Hall is being used for storage and so cannot be hired out to customers.
- 3.2 Both schemes have been completed in terms of design, planning approval, etc, and are ready to be tendered. With member approval these extensions can be

built this summer, to provide much improved working conditions and fuller use of the facilities.

- 3.3 There is a scheme in this year's programme to refurbish and redecorate the sports Hall at Lymington. This would allow the discrepancy in the standard of provision between the old Hall and the new Phase II facilities to be narrowed. The £18,000. scheme is required but not so urgent as the provision of the extensions.
- 3.4 The budget for the refurbishment could be considered as a source of virement to largely meet the shortfall identified in Para 2.2.
- 3.5 The remaining shortfall would then be £4,000, but with no allowance for inflation in the tenders or for fees for internal contract administration. It is likely that there will be a cost saving arising from treating the two schemes as one contract, and also due to reduced preliminary expenses and a longer period of continuous working for the contractor (one scheme following the stages of the other, on the two sites). However, it is considered prudent to allow for an additional budget of £9,000 at this stage (equivalent to a 15% uplift on the lowest tenders supplied last year) for administration and inflation contingencies.
- 3.6 The funding arrangements proposed are as follows:

Schemes as tenders last year	£60,000
Existing budgets	(£38,000)
Virement from Refurbishment budget	(£18,000)
Uplift for inflation, etc. (as needed)	£ 9,000
Supplementary Estimate	(£13,000)

4. FINANCIAL IMPLICATIONS

- 4.1 To enable both extensions to be built this year both the £18,000 virement from the refurbishment budget and the £13,000 supplementary estimate will be required,
- 4.2 The extent to which the supplementary estimate is actually taken up is not possible to confirm at this stage, however any shortfall or savings will be the subject of the normal financial monitoring reporting during the year.

5. PORTFOLIO HOLDER'S COMMENTS

TO FOLLOW

6. CRIME AND DISORDER IMPLICATIONS

- 6.1 There are none.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 There are none.

8. RECOMMENDATIONS

- 8.1 That the two extension schemes at Lymington and New Milton Health and Leisure centres be combined as one contract for time and potential cost savings;
- 8.2 That £18,000 be vired from the Lymington Sports Hall refurbishment budget to the budget for the combined schemes; and
- 8.3 That a supplementary estimate of £13,000 be approved to enable the completion of these two schemes within 2005/06.

Further Information

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Background

1. New Milton Recreation Centre – extension to Fitness Suite
Cabinet 4 December 2002
2. Lymington Recreation Centre – Sports Hall Store funding arrangements report, Cabinet 3 December 2003