

Item 6

REPORT TO CABINET

9 DECEMBER 2004

REPORT OF DIRECTOR OF LEISURE SERVICES

Portfolio: CULTURE AND RECREATION

SPENNYMOOR LEISURE CENTRE GYMNASTICS CENTRE

SUMMARY

At their meeting on 16th September 2004, Cabinet approved a financial contribution of £454,649 towards the capital costs of £1,769,649 plus fees in the region of £160,000, in order to construct a regional gymnastics centre attached to Spennymoor Leisure Centre.

At a pre-start meeting with the successful contractors (MMP), held on 21st September 2004, it became apparent that circumstances surrounding the diversion of a major electrical cable running through the proposed site would result in a delay to the start date of the project. The delay of 3–4 months will lead to an increased cost of the project of £99,750.

RECOMMENDATION

That Cabinet approves the additional contract cost of £99,750.

DETAIL

A major electrical cable runs through the proposed construction site and needs to be diverted.

At a pre-start meeting held on the 21st September 2004 between the Borough Council, HLB our design consultants and MMP our selected contractor, it became apparent that NEDL, the utility company responsible for diverting the cable, require 10-12 weeks to carry out the work.

FINANCIAL CONSIDERATIONS

Discussions with MMP have confirmed that the delay in making a start on site will lead to increased costs of £99,750, which will result in a new revised tender figure of £2,029,399 including fees. This increase can be accommodated by the Council from contingencies set aside for regeneration purposes in the financial year 2004/5.

HLB have worked very closely with MMP to assess the reasons and valuations for increased costs and confirm that the figures are valid. Further consideration of these costs has been undertaken by Sedgefield Borough Council Officers who also confirm their validity.

OTHER MATERIAL CONSIDERATIONS

All necessary negotiations have taken place with interested parties in order to fix the additional costs at this level and have now been confirmed by MMP.

Discussions with Sport England have been held, and although their grant is fixed at £1.325,000 they have confirmed that the condition applied to it that work must start by the end of October 2004, has been removed and the grant is secure.

Contact Officer: Phil Ball (Director of Leisure Services)
E-mail: pball@sedgefield.gov.uk
Phone: 01388-816166 ext. 4386

Ward(s): Not Ward specific

Key Decision Validation:

**Background Papers:
Examination by Statutory Officers**

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>