

# Public Document Pack

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

**TUESDAY, 20TH MAY, 2025**

### **SUPPLEMENTARY AGENDA**

Please find attached supplementary papers relating to the above meeting, as follows:

<b>Agenda No</b>	<b>Item</b>
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| 7. | <b><u>DECARBONISATION OF LEISURE CENTRES CONTRACT AWARD</u></b><br><b>(Pages 3 - 6)</b> |
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REPORT OF THE DIRECTOR – ENVIRONMENT

This report seeks to update Cabinet on progress on the leisure decarbonisation project, including latest financial implications and seeks approval to award the construction contract to Willmott Dixon Construction Ltd (WDC).

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<b>CABINET</b>
<b>20 MAY 2025</b>

## **PART 1 – PUBLIC DOCUMENT**

### **TITLE OF REPORT: DECARBONISATION OF LEISURE CENTRES CONTRACT AWARD ADDENDUM**

REPORT OF: Director - Environment

EXECUTIVE MEMBER: Environment, Leisure and Green Spaces

COUNCIL PRIORITY: SUSTAINABILITY

#### **1. EXECUTIVE SUMMARY**

This report seeks to update Cabinet on progress on the leisure decarbonisation project, including latest financial implications and seeks approval to award the construction contract to Willmott Dixon Construction Ltd (WDC).

#### **2. RECOMMENDATIONS**

- 2.1 That Cabinet agree to increase the project capital budget to £16.271 million.
- 2.2 See original report.
- 2.3 See original report.
- 2.4 That Cabinet award the leisure decarbonisation construction contract to Willmott Dixon Construction at a value of £15.890 million.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 See original report.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 See original report.

#### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 See original report.

#### **6. FORWARD PLAN**

- 6.1 See original report.

#### **7. BACKGROUND**

- 7.1 See original report.
- 7.2 See original report.
- 7.3 See original report.
- 7.4 See original report.
- 7.5 See original report.
- 7.6 See original report.
- 7.7 See original report.
- 7.8 See original report.
- 7.9 See original report.

## 8. RELEVANT CONSIDERATIONS

- 8.1 On 19 May 2025, WDC submitted a contract sum of £15.890 million following completion of the detailed feasibility stage and further cost negotiations. This sum will partly be funded by an additional contribution from Everyone Active of £110k for some additional works associated with the Royston Gym Extension. The cost plan includes budgets for the decarbonisation works, RLC gym extension, RLC changing village refurbishment and conversion of the wet change to a changing village at NHLC. The specification for the conversion of the wet change to a changing village at NHLC has been revised to include additional items such as vanity areas, tiled walls and replacement showers, this has resulted in an increase in costs of circa £105k which has been factored into the above contract sum.
- 8.2 See original report.
- 8.3 The table below outlines the budget picture based on the above contract sum. In addition to the WDC contracting costs, there are £381k of additional costs which fall outside of the construction contract. These are for the Council's quantity surveyor, project manager, M&E consultant and Building Safety designer, as well as planning fees. These also include business rates and property management fees for the use of the former Iceland building in Hitchin, for storage of early ordered materials.

Description	Value
Total Project Budget - Includes elements detailed in paragraph 8.1 above	£15,559,000
Capital Tolerance (5%)	£777,950
<b>With capital tolerance, funding available</b>	<b>16,336,950</b>
WDC updated forecast	£15,890,000
QS, MEP, BSA Project Manager, planning Costs	£381,169
<b>Total forecast cost</b>	<b>£16,271,169</b>
Capital tolerance remaining	£65,781

- 8.4 See original report.

- 8.5 As set out in recommendation 2.1, Cabinet are recommended to approve an increase in the capital budget– from £15.559m to £16.271m. But noting that there will be £110k of additional third-party funding (from Everyone Active, as detailed in paragraph 8.1) A 5% tolerance on this capital budget will then be available, in the event of unforeseen issues materialising during the construction phase.
- 8.6 See original report.
- 8.7 See original report.
- 8.8 See original report.
- 8.9 See original report.
- 8.10 See original report.
- 8.11 See original report.
- 8.12 See original report.
- 8.13 See original report.
- 8.14 See original report.
- 8.15 See original report.

## **9. LEGAL IMPLICATIONS**

- 9.1. See original report.
- 9.2. See original report.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The revised capital forecast for the project is £16.271 million. This is against an allocated capital budget of £15.559 million. This increase is within the capital tolerances (totalling £778k) set out in the Council's Financial Regulations. From a capital investment perspective, this means that whilst the project could continue without Cabinet approval, this leaves little room for unforeseen contingency (a 5% allowance is recommended). Therefore, Cabinet is recommended to increase the capital budget to £16.271m, which includes the total WDC contracting sum and the other costs of £381k. There will then be a 5% capital tolerance on this revised budget, which can then be used as contingency (if required).
- 10.2. See original report.
- 10.3. See original report.

## **11. RISK IMPLICATIONS**

- 11.1. See original report.

11.2 See original report.

## **12. EQUALITIES IMPLICATIONS**

12.1. See original report.

12.2 See original report

## **13. SOCIAL VALUE IMPLICATIONS**

13.1 See original report.

13.2 See original report.

13.3 See original report.

13.4 See original report.

## **14. ENVIRONMENTAL IMPLICATIONS**

14.1. See original report.

## **15. HUMAN RESOURCE IMPLICATIONS**

15.1 See original report.

## **16. APPENDICES**

16.1 None.

## **17. CONTACT OFFICERS**

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17.4 Jeanette Thompson, Director – Governance [jeanette.thompson@north-herts.gov.uk](mailto:jeanette.thompson@north-herts.gov.uk)

17.5 Reuben Ayavoo, Policy & Community Manager [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)

## **18. BACKGROUND PAPERS**

18.1 None