

## ABERDEEN CITY COUNCIL

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COMMITTEE	Audit and Risk Committee
DATE	25 January 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Investigation into Performance Tullos Swimming Pool
REPORT NUMBER:	EPI/11/031

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### 1. PURPOSE OF REPORT

- 1.01 In accordance with the decision of the Finance and Resources Committee on 17 June 2010 Officers were instructed to prepare a report to the Audit and Risk Committee. The report was to address the reasons behind the increased costs and delays for the proposed works.
- 1.02 This report highlights the timeline of events and decision making process up to the Finance and Resources Committee on the 17 June 2010

### 2. RECOMMENDATION(S)

- a) to note the content of this report
- b) to note that the lack of an Asset Management Plan meant that re-roof of the building was not carried out at the correct time and once the problems had come to light the call on the necessary finances was not available.
- c) to note that due to the design of the structure the temporary roof repairs tended to solve the immediate problem but hid the continuing damage to the deck timbers
- d) to note that quotations obtained by the officer involved to make the building wind and water tight was undertaken without an understanding of the full implications of the work. This was due in part to the requirement at the time for major projects to be based around health and safety requirements.

- e) to note that the Committee Cycle times were such that a report could not be taken to August or September Resources Management Committee and may have been tight for the November committee

### 3. FINANCIAL IMPLICATIONS

This report has no financial implication

### 4. SERVICE & COMMUNITY IMPACT

### 5. OTHER IMPLICATIONS

### 6. REPORT

#### **Limitations**

- 6.01 This report has been prepared by Enterprise, Planning and Infrastructure (EP&I). Local Members and relevant officers involved in the project have been interviewed in order to compile this report.
- 6.02 The officers involved in the works at Tullos Swimming Pool have varied considerably over the intervening period with many no longer in the Council's employment. It has not been possible to interview all staff connected with the project.
- 6.03 Emails and memos have provided the background sequences to the events and every effort has been made to obtain all information.

#### **Key Issues**

(A fuller description and timeline are given in the Appendices)

- 6.04 There were no recorded Capital Projects from Grampian Regional Council.
- 6.05 A flat roof structure of the type in place at Tullos Swimming Pool should be replaced every 15 to 20 years. This would have meant that the timescale for planned replacement should have been around the time of the change over from Grampian Regional Council to Aberdeen City Council.
- 6.06 Since the building was transferred to Aberdeen City Council in 1996 there are only two Capital Projects recorded against the property.  
5964 – Replacement Plant (2004)  
6929 – Replacement Roof Coverings (2009 –Latest Contract)
- 6.07 Between 2004 and 2008 various leaks from the existing waterproofing occurred and were repaired.


- 6.08 No Asset Management Plan meant that there were no predicted timeline for building maintenance
- 6.09 With no clear programme for repairs and no allocation of monies the defect to the roof was allowed to deteriorate, causing more internal damage including to the electrics, mechanical plant etc. The number of small ongoing repairs to the building's roofs should have highlighted that more work was required than and response repairs to the original felt roof and damaged timbers as these were probably already passed any minor repair operation.
- 6.10 There was a lack of understanding by the officer as to the difference between a quotation and a tender; this may have been due to the fact that all works previously carried out were by quotation due to the value and type of works being carried out.
- 6.11 This lack of understanding of standing orders and procurement led to members of the Resource Management Committee being misled in approval of tenders.
- 6.12 Fifteen month delay in rectifying this mistake
- 6.13 Uncertainty from officer's perspective about the future of Tullos Swimming Pool seems to have been a factor in some of the later decision making and timescales. Ensuring the building was wind and water tight was a major requirement in order to stop continued damage to the fabric of the building. The outcome of not attending to such repairs would have ultimately lead to much greater repairs and potentially the demolition of the structure.

## Outcomes

- 6.14 An Asset Management Plan is now in place and will continue to be managed and modified in line with available finances
- 6.15 Additional Procurement training was carried out during 2009, this was done as a Corporate initiative to increase the awareness of staff to both working within Council Procedures and Procurement

## 7 REPORT AUTHOR DETAILS

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## 8 BACKGROUND PAPERS

<http://councilcommittees/CeListDocuments.aspx?MID=1167&F=SubIndex%24embed%24Agenda.htm&DF=05%2f02%2f2009&A=1&R=0> Item 12.3

Copies of emails and memos gather during the investigation are available

## **Appendix A**

### **General Description**

- a) The construction of Tullos Swimming Pool was completed thirty two years ago, in 1978. It is annexed to the Tullos Primary School built between 1938 and 1945. The complex now comprises Tullos Primary School, Tullos Community Centre and Tullos Swimming Pool. The roofs to the Tullos Primary School and Tullos Community Centre were replaced in 1985. However the roof to Tullos Swimming Pool was not and the original roof coverings remained in place.
- b) The Swimming pool does not have its own electrical supply, water supply or heating plant, with all these being supplied via Tullos Primary School. Each supply has a sub meter to identify the swimming pools usage.
- c) Since the building was transferred to Aberdeen City Council in 1996 there are only two Capital Projects recorded against the property.  
  
5964 – Replacement Plant (2004)  
6929 – Replacement Roof Coverings (2009 –Latest Contract)
- d) There were no recorded Capital Projects from Grampian Regional Council.

## **Appendix B**

### **History of Operations**

- a) In 2004 a series of defects started to be recorded (indicated below):
- b) March 2004 roof leaking at Male Toilet - repair work carried out to stop leak which would appear to have been overlaying with mineral felt.
- c) June 2004 Black growth on lining of ceilings - a report was requisitioned which indicated in August said that "timber decay by wet rot was found to be affecting the roof decking around the perimeter of the main pool area i.e. adjacent to the front, rear and gable walls"
- d) September 2004 a further survey was requisitioned for the small pool and plant room "timber decay by wet rot was noted to be affecting both at the front and rear walls of the small pool and also in the chipboard decking of the roof over the plant room"
- e) A decision was made to put the repair of both roofs into the Non Housing Capital Budget (NHCB) for 2005-2006. Due to lack of funds this did not appear on the NHCB for 2005-2006.
- f) During 2004-2005 various orders were raised to repair leaking roofs especially over the small pool at a cost of £3406. Work was also required to change some of the plant within the plant room. This required the stripping of the existing roof and chipboard and replacing it once plant changes had taken place at a cost of £15,300.
- g) Repairs to the felt roofs over the small pool and large pool continued over the next two years at a cost of £1690.
- h) Early in 2008 a quotation was received to remove and replace the existing felt from both roofs. The quotation was for £69,370, this work was not taken forward.
- i) Significant problems with the state of the roof were reported on the 6<sup>th</sup> of August to officers in Shelter and Environment (South Area) and a roof inspection undertaken the following day. Following this inspection the decision was taken to close the pool. This was for Health and Safety Reasons after several periods of prolonged and heavy rain had resulted in significant water ingress. The officer noted that there was potential for electrical installations to be affected as there was water damage to the main distribution board, the possibility of debris falling either into the pools or onto a member of the public or staff helped determine the decision.
- j) Following another roof inspection on the 13<sup>th</sup> August 2008 it was established that the roofs over both the large and small pools were at a stage where the repair of the felt was no longer an option and officers noted that all the flat surfaces and upstands were showing signs of organic growth and cracking.

- k) On 18<sup>th</sup> August 2008 an on-site meeting was held with potential contractors who were being asked for quotations for three different operations to facilitate the opening of the pools;

Quotation for the removal of the felt and replace with new  
Quotation for the wet rot treatment of the Glulam Beams  
Quotation for the locker/spectator area repairs

- l) These three quotations were submitted in a report to Resources Management Committee of the 5<sup>th</sup> February 2009. The reasons why one committee cycles were missed has not been able to be explained by the officers interviewed)

- m) The report's recommendations asked the Committee to agree the following

- n) That Committee agrees to acceptance of tenders of £64,000.00 (Briggs Amasco) in respect of repairs of the roof and £8,751.00 (Peter Cox) in respect of repairs to the internal timbers.

- o) That the committee agrees to acceptance of tender of £15,652.84 (Rob Buchan Joinery Services) in respect of installing locker system and replacing seating within spectating area

- p) That Committee agrees to total of £88,403.84 from the Non Housing Capital Programme to allow these essential repairs to be carried out to Tullos Swimming Pool.

- q) The Committee approved all three recommendations

- r) There was a major error in the process followed as the report asked the Committee to approve tenders but no tenders had been received. All three contractors provided quotations and while this would have been acceptable for two of the three areas of work, the replacement of the felt roof was over the threshold in Standing Orders for a quotation and it should not have been procured in that way.

- s) The proposed works were passed to Resources Management's Construction Consultancy Section in February 2009. However following receipt of the information contact was made with Neighbourhood Services (South Area) on the 25 February 2009 to highlight the contravention of Council's Standing Orders and Financial Regulations the permission for which had not been sought from Committee. It was also noted that this would mostly likely negate the Committee Decision. There was also no record of a specification nor a scope of works on which the quotations were based.

- t) Subsequently a further nine months were lost during which correspondence continued between various officers with a series of emails trying to resolve the situation. A reply dated 28 September 2009 from Education, Culture and Sport (EC&S) requested "a detailed view of the total estimated costs to bring the facility back into full operational use. Only with this information can the Council determine whether the

repairs to the roof are justified and provide best value". The reply concludes with an instruction not to progress the tender process until the service had the full information.

- u) On the 19 October 2009 EC&S were informed by Resources Management that the tender for the re-roof element of the works was ready to be issued and requested an instruction to proceed. Confirmation to proceed was received the same day.
- v) An external estimated cost for the **partial** refurbishment of the pool which would allow it to be brought back into use was forwarded to EC&S on 27 October 2009. This cost was £486,450.00. Once corporate overheads and professional fees were included this figure would increase to £559,418.
- w) The Contract Administrator, within Resources Management, confirmed to EC&S on 02 November 2009 that the external estimated cost for the **comprehensive** refurbishment including the requested significant internal alterations had been received. This cost was £844,405. Once corporate overheads and professional fees were included this figure would increase to £1,017,066.
- x) The e-mail noted that there were three options available.

These were as follows:

Flat roof refurbishment only **£300,000**

Flat roof refurbishment and partial internal refurbishment  
**£786,450.00**

Flat roof refurbishment and comprehensive internal  
refurbishment **£1,144,405.00**

The e-mail ended by stating "I will await your instructions before proceeding, but as agreed previously I can confirm the flat roof tender has been put out for pricing only, it will not be accepted until instructed by yourself".

- y) In reply to a subsequent e-mail from the Head of Service with responsibility for Sport Aberdeen, the Principal Architect confirmed that the 'Replacement and Renewal Budget' could not fund the additional refurbishment work as it was already fully committed to other projects.
- z) The tenders for the flat roof repair were returned on 10 November 2009 and once quality assessed a memo was sent on 25<sup>th</sup> November to EC&S giving the lowest tender cost for the re-roof. They were advised that the work should proceed to help stop further deterioration of the building fabric and on Health and Safety grounds. The instruction from EC&S to proceed was issued by e-mail on the 27 November 2009.
- aa) The Main Contractor was appointed on the 30 November 2009 and the project planning phase of the contract was completed by Christmas 2009 ready for work to start in January 2010.
- bb) As work progressed throughout January it became apparent after the removal of the bituminous membrane that the deck of the roof had

suffered serious decay. As a result it was recommended by Enterprise, Planning and Infrastructure (who had inherited the project from the former resources management) that in addition to the roof coverings the structural roof deck should be removed and replaced. This was conveyed to EC&S in a memo dated 9 February 2010 together with the additional cost and a request for approval to carry out these additional works.

- cc) On the 23 February 2010 the Contract Administrator e-mailed EC&S to remind them that they still had not approved the additional works. The consequence of this was that the programme could not be completed on time and the Main Contractor would have no option but to close the site as work couldn't continue until a decision was made on replacing the structural deck.
- dd) On 9 March 2010 the Contract Administrator confirmed to EC & S in a memo dated 9 March 2010 that following discussions with the Main Contractor they had identified works that could be done, albeit out of sequence, to reduce any future delay and to maintain a presence on site until 19 March 2010.
- ee) The Head of Service responsible for Sport Aberdeen issues a memo dated 15 March 2010 authorising the additional work.
- ff) The Contract Administrator advises Education, Culture and Sport on 11<sup>th</sup> May 2010 that the Main Contractor had discovered Oyster Catchers nesting on the higher roof and after contacting Scottish Natural Heritage confirms that it would be an offense under the Wildlife and Countryside Act to disturb them. It was also confirmed that work on this area would have to be suspended until such time the birds left the nest and this would likely be early July.
- gg) The Contractor Administrator wrote to the Main Contractor to postpone the works in line with the terms of the Building Contract until such time as the birds have left the nest.
- hh) Report to Education Culture and Sport Committee on the 27<sup>th</sup> May 2010 providing costings for internal works.
- ii) Work was completed to the roof in August 2010 at a final cost of £421K
- jj) A report to Education Culture and Sport Committee on 20<sup>th</sup> September 2010 confirmed that the building was now wind and water tight and that future works would be dependant on the outcome of a city-wide Water Management Plan.



## Appendix C

### **Outcomes**

- a) A flat roof structure of the type in place at Tullos Swimming Pool should be replaced every 15 to 20 years. This would have meant that the timescale for planned replacement should have been around the time of the change over from Grampian Regional Council to Aberdeen City Council.
- b) The surveys carried out in 2004 provided an indication of the work that would be required repair the roofs of the pools. However, it is unclear if a bid for capital monies was not taken forward or turned down. There is thereafter a suggestion the reports would appear to have been filed and forgotten for a period of time.
- c) It was not possible to inspect those parts of the structure which were covered, unexposed, or inaccessible and it was therefore not possible at the time to establish if other defects arising from timber diseases of any description (including beetle infestation, vermin), defects in the constituents of the structure or any other defects of a similar nature.
- d) With no clear programme for repairs and no allocation of monies the defect to the roof was allowed to deteriorate, causing more internal damage including to the electrics, mechanical plant etc. The number of small ongoing repairs to the building's roofs should have highlighted that more work was required than and response repairs to the original felt roof and damaged timbers as these were probably already passed any minor repair operation.
- e) There was a lack of understanding by the officer as to the difference between a quotation and a tender, this may have been due to the fact that all works previously carried out were by quotation due to the value and type of works being carried out
- f) The period of time lost due to the acquisition of quotes should not have meant that work was delayed for a period of 15 months. The delay in not going for a tender was significant in the ability to reopen the pool. However the amount of work that was required to bring the building back to being wind and watertight was significant.
- g) Uncertainty from officer's perspective about the future of Tullos Swimming Pool seems to have been a factor in some of the later decision making and timescales. Ensuring the building was wind and water tight was a major requirement in order to stop continued damage to the fabric of the building. The outcome of not attending to such repairs would have ultimately lead to much greater repairs and potentially the demolition of the structure.

## **Appendix D**

### **Summary Timeline**

The critical dates for this work are as follows:

March 2004	Leaks from area above toilets
June 2004	Report on state of roof Main Pool Area
September 2004	Report on state of roof Small Pool Area
2005-2006	Insufficient funds from NHCB for repairs to roof
07 August 2008	Neighbourhood Services (South Area) close the pool to the public. (Item 1.10)
05 February 2009	Neighbourhood Services (South Area) submit report to Resources Management Committee to approve “tenders” to repair roof, purchase lockers and replace seating. Report is approved (Item 1.12)
25 February 2009	Resource Management Construction Consultancy Section inform the client they cannot progress the works as this would contravene Aberdeen City Council’s Standing Orders and Financial Regulations (Item 1.14)
09 March 2009	Neighbourhood Services (South Area) maintenance section wrote to their Area Property Manager and agrees with Resource Management Construction Consultancy Section statement (Items 1.16 & 1.17)
01 April 2009	Neighbourhood Services (South Area) acknowledges that the approved funding has turned out to be insufficient (Item 1.18)
13 June 2009	The Legal Manager confirms the method of procuring the costs does not comply with Aberdeen City Council’s Standing Orders and Financial Regulations, but seeks further clarification. (Item 1.19)
11 August 2009	Legal Services confirm that the quotes cannot be accepted without seeking an exemption from Standing Orders and explains the process and criteria that has to be met. (Item 1.20)
17 August 2009	Enterprise, Planning and Infrastructure are appointed to carry out the roof repairs in accordance with Aberdeen City Council’s Standing Orders and Financial Regulations (Item 1.21)
19 August 2009	Enterprise, Planning and Infrastructure wrote to Education, Culture and Sport asking for confirmation of

the funding and informing them the £90k was not sufficient to carry out the works (Item 1.23)

11 Sept 2009 Enterprise, Planning and Infrastructure advise Education, Culture and Sport of the need for internal works. (Item 1.25)

28 Sept 2009 Education, Culture and Sport wrote to Enterprise, Planning and Infrastructure to instructing them not to proceed with tender until they had received costs to refurbish the interior. (Item 1.26)

19 October 2009 Issued tenders for the re-roof following approval from Education, Culture and Sport on the same day. (Item 1.28)

27 October 2009 issued estimated costs for internal works (Item 1.29)

02 Nov 2009 issued estimated costs for larger scope of works internal works (Item 1.30)

17 Nov 2009 Tenders returned (Item 1.32)

27 Nov 2009 Tender report to Resources Management Committee and approved

30 Nov 2009 Letter of Acceptance issued to the Main Contractor (Item 1.33)

04 January 2010 Contractor Starts on site (Item 1.33)

09 February 2010 Education, Culture and Sport advised of the condition of the roof deck (Item 1.34)

23 February 2010 Enterprise, Planning and Infrastructure write again asking for approval to carry out additional work (Item 1.36)

15 March 2010 Head of Service responsible for Sports Aberdeen authorises additional work (Item 1.37)

11 May 2010 Education, Culture and Sport advised that Oyster catchers have nested on the higher roof. (Item 1.38)

27 May 2010 Education, Culture and Sport report to Education, Culture and Sport Committee asking for approval to carry out larger of schemes for internal refurbishment

27 August 2010 Enterprise, Planning and Infrastructure return comments on draft Report to Education, Culture and Sports Committee