

DRAFT

FINANCE AND RESOURCES COMMITTEE

17 JUNE, 2010

DECLARATIONS OF INTEREST

The Vice Convener and Councillor John West declared an interest in the subject matter of the following article by virtue of their position as Council representatives on Sport Aberdeen. Both Councillors withdrew from the meeting and Councillor Corall substituted for the Vice Convener, and Councillor Cormie substituted for Councillor John West.

During the general debate that ensued in relation to the following article, Councillor Graham intimated an interest as a member of the Fairer Scotland Fund Board, but did not leave the meeting. Councillors Crockett and Kiddie also declared interests as members of the Council's Pension Panel but again did not consider it necessary to withdraw from the meeting.

BEACH LEISURE CENTRE – HEATING AND VENTILATION WORKS – (ECS/10/058) AND SPORT ABERDEEN – TRANSFER OF SPORTS SERVICES (ECS/10/059)

With reference to article 1 of this minute, and article 13 of the minute of meeting of Council of 19 August, 2009, the Committee had under consideration (1) a report by the Director of Education, Culture and Sport on the condition of the heating and ventilation plant at the Beach Leisure Centre which was badly in need of urgent attention following recent frequent breakdowns; and (2) a separate report by the same Director containing updated information on the current negotiations between the Council and the Board of Sport Aberdeen, the arm's length charitable organisation to which certain Council owned sports services were to be transferred for a period of ten years.

As regards the heating and ventilation equipment at the Beach Leisure Centre, the report referred to the condition survey carried out by consultant engineers on the Council's behalf in March, 2009; reminded members of the outcome thereof, ie. that the general condition of the plant was found to be very poor and that, because of access difficulties and issues of scale, the particular components affected would be very difficult to replace or refurbish; and set out the options available to the Council in order to address the matter and which would involve the closure of the facility for a time and a corresponding reduction in income. As part of the report content, the concerns expressed by the Board of Sport Aberdeen as regards taking over responsibility for the Beach Leisure facility in its current condition, were

highlighted.

The report on the heating and ventilation plant at the Beach Leisure Centre recommended:-

that the Committee:

- (a) note the situation in relation to the heating and ventilation equipment; and
- (b) approve urgent funding for the necessary works involved from the Capital Plan, when contingencies allowed.

The report in respect of the transfer of Sports Services from the Council to Sport Aberdeen advised that detailed discussions had taken place through the Sports Trust Project Board/Working Group over the past eighteen months, to oversee the transfer process; indicated that as part of those discussions, a number of changes to the specification for the services to be provided, had been proposed; outlined what the changes were; and confirmed that the facilities and services that would now transfer were listed within appendix 2 to the report. The report went on to advise that there were a number of details and issues still to be resolved through further discussion and negotiation prior to the proposed transfer date of 1 July, 2010, but that given the scope of the key principles agreed by the Committee at its meeting on 17 September, 2009, the issues raised were not so significant that they needed to be referred to members. The report concluded with a statement that officers believed that Sport Aberdeen's Corporate Plan demonstrated that the company understood the key elements of operating the Council's Sport Services and had in place workable financial arrangements that would enable the services to be operated and developed in an efficient manner which will help to achieve the Council's strategic and financial objectives.

The report on the transfer of sports services to Sport Aberdeen recommended:-

- (a) that the Committee agrees to transfer the Council's sports service to Sport Aberdeen for a ten year period in line with a Transfer Agreement, a Funding and Service Provision Agreement and ancillary documents, on 1 July, 2010 or as soon as possible thereafter;
- (b) that appropriate officers be authorised to continue negotiations with Sport Aberdeen and its advisers over the specific terms of the Transfer Agreement, the Funding and Service Provision Agreement and ancillary documents, between the Council and Sport Aberdeen;
- (c) that the Committee endorses Sport Aberdeen's Corporate Plan for the remainder of 2010/11;
- (d) that the Committee agrees that the Council will pay Sport Aberdeen £5m to operate the Council's Sports Services for 2010/11 (based on a total annual cost of £6.3m);
- (e) that the Committee confirms that it will act as guarantor for Sport Aberdeen in relation to the pension fund and in the event that Sport Aberdeen should cease to exist, will guarantee up to £295,000 as required to meet these liabilities; and
- (f) that the Committee agrees that the Council will meet any costs arising from outstanding contractual or employment issues lodged prior to the

date of transfer.

At this point in the meeting and in accordance with the earlier decision on deputations (article 1 of this minute refers), the Committee welcomed a deputation from the Northfield Community Council who wished to address the members regarding Northfield Swimming Pool and the difficulties being experienced by ordinary members of the public who are not members of a swimming or other club, in gaining access to the pool at times when public sessions might be anticipated, for example, on Saturday or Sunday afternoons.

The Committee heard from Mr Keith Paterson and Mr Kevin Wallace, after which members were invited to ask questions firstly of the deputation and secondly of Council officers.

The Director of Education, Culture and Sport alluded to the fact that a number of Directors of Sport Aberdeen had recently resigned, and advised that the posts were currently being advertised, and that she hoped the new Directors would be in place in a matter of weeks. When questioned by members, Mrs Bruton advised that the Board was competent in terms of its constitution in its current form (ie there being currently only four Directors, with three of these being Councillors).

With reference to page 315 of the report, the Committee queried whether members of the public would continue to have access to the cricket pitch at Duthie Park. The Director undertook to have this assurance written into the Council's Service Level Agreement with Sport Aberdeen.

The Convener moved, seconded by Councillor Yuill:-

- (i) that the content of the report on the Beach Leisure Centre be noted;
- (ii) that the Council agrees in principle to meet the cost of replacing the heating and ventilation equipment at the Beach Leisure Centre to give the Board of Sport of Aberdeen the comfort it requires, and remits to the Education, Culture and Sport Committee to consider reviewing its capital programme to meet the expenditure involved (estimated to be up to £1.5m);
- (iii) that the recommendations contained within the report on the transfer of Sports Services from the Council to Sport Aberdeen be approved;
- (iv) that Tullos Swimming Pool be removed from the list of properties to be transferred to Sport Aberdeen, as a report on this matter would be considered at a later point in the meeting (article 34 of this minute refers); and
- (v) that Sport Aberdeen be requested to enter into consultation with the local community and local members with a view to the provision of public swimming sessions at Northfield Swimming Pool at times when the community are most likely to want to use the pool.

Councillor Graham moved as an amendment, seconded by Councillor Laing:-

- (i) that the Committee does not agree to transfer the Council's sport services to Sport Aberdeen until the appointment of a range of suitable,

acceptable and representative independent Directors, meeting the requirements of best practice in government; and for clarity, no decision on changes on provision will be made until a further report is presented to Council; and

- (ii) that appropriate officers be instructed to identify funding from the Capital Programme to meet any costs incurred by the Council arising from the delayed transfer.

On a division, there voted :- for the motion (10) – the Convener; and Councillors Corall, Cormack, Cormie, Dunbar, Kiddie, Leslie, McCaig, John Stewart and Yuill; for the amendment (5) – Councillors Cassie, Crockett, Farquharson, Graham and Laing.

The Committee resolved :-

- (i) that the successful motion be adopted; and
- (ii) to note that the Director of Education, Culture and Sport undertook to ensure that written into the Service Level Agreement with Sport Aberdeen, would be an assurance that members of the public would continue to have access to the cricket pitch at Duthie Park.

ABERDEEN CITY COUNCIL

COMMITTEE:	Education, Culture and Sport Committee
DATE:	16 September 2010
DIRECTOR:	Annette Bruton
TITLE OF REPORT:	Beach Leisure Centre – Heating & Ventilation Works
REPORT NUMBER:	ECS/10/081

1. PURPOSE OF REPORT

This report provides an update on the request to Finance and Resources Committee for funding to carry out major repairs or replacement to the heating and ventilation plant at the Beach Leisure Centre. The report recommends that the Committee retains the project on the reserve list for the Non Housing Capital Programme, for consideration as part of the capital prioritisation process for the years 2011/12 and beyond.

2. RECOMMENDATION(S)

That the committee:

- 1) Notes the feedback from Finance and Resources Committee.
- 2) Notes the proposal to monitor the condition of the heating and ventilation plant at Beach Leisure Centre, in order that Sport Aberdeen can report to the Council any further deterioration of this equipment.
- 3) Retains the project on the reserve list for the Non Housing Capital Programme, for consideration as part of the capital prioritisation process for the years 2011/12 and beyond.

3. FINANCIAL IMPLICATIONS

The estimated cost for undertaking this work, based on 2009 costs, are as follows:

- Option 1 - Remedial works – approximately £630K, or
- Option 2 - Replacement of ventilation system – approximately £1.5 million.

There is likely to be a slight uplift in these costs, to reflect inflationary increases.

Officers have reviewed the Education, Culture and Sport elements of the Non Housing Capital Programme, (which is included as an Appendix 1 to this report), and have not been able to identify anything within the programme for the current year, which is neither already underway, nor is not essential.

4. SERVICE & COMMUNITY IMPACT

The report relates to the Arts, Heritage and Sport strand of the Community Plan, specifically in relation to the Sports, Leisure and Recreation vision of developing Aberdeen as an “Active City” and in relation to ensuring that our Community has ‘access to services of a high quality that meet their needs.’ under the ‘We value our people’ strand and Single Outcome Agreement Outcomes 6, ‘We live longer, healthier lives’ and 13, ‘We take pride in a strong, fair and inclusive national identity.’

The report also links to Vibrant, Dynamic and Forward Looking through Culture, Arts and Sport:

- Increase participation in sport, provide support for athletes and reward excellence
- Ensure high quality, well managed sports facilities in Aberdeen
- Recognise the contribution of Sport, Culture and Arts to promoting the area as a tourist destination
- Recognise the role of Sport and Arts in tackling anti-social behaviour

The report relates to Fit for the Future, a Sport and Physical Activity Strategy for Aberdeen City 2009-2015, which has 5 key objectives:

- Promote and increase opportunities for participation in sport and physical activity for everyone in Aberdeen
- Provide a comprehensive and high quality range of sports facilities in Aberdeen City Council
- Maximise the social, educational, health and economic benefits of sport and physical activity in Aberdeen City
- Develop and sustain pathways which nurture local, regional and national sporting people to reach their potential
- Raise the profile of sport in Aberdeen.

5. OTHER IMPLICATIONS

As part of the discussions about the transfer of the Sport Service, the board of Sport Aberdeen raised particular concerns about the condition of heating and ventilation at the Beach Leisure Centre, and this matter was therefore raised with Finance and Resources Committee at their meeting on 17 June 2010, as part of the discussions about the transfer of services to Sport Aberdeen.

The current condition of the heating and ventilation installation presents significant risks, and requires ongoing and substantial maintenance.

The Beach Leisure Centre is a major provider of the rates relief saving, which will be accrued by transferring sports facilities to Sport Aberdeen, and accounts for approximately 25% of the overall net funding for sports within the city.

6. REPORT

Beach Leisure Centre

The Beach Leisure Centre is the City Council's largest, and best used leisure facility, attracting approximately 260,000 visits per annum. However it is now nearly 21 years old, and is starting to show its age, in relation to the general condition of the fabric and some of the mechanical and electrical installation.

It is now recognised for some time that the ventilation plant within the facility is in need of attention, with frequent breakdowns. This has proved difficult to progress, in the light of ongoing budgetary pressures. In March 2009 a condition survey was undertaken by CCDP consultant engineers, to determine the extent of the problems with the heating and ventilation plant in the Beach Leisure Centre. This included recommendations for a number of areas of work, along with associated costings.

The report states that:

“the general condition of the ventilation plant is very poor. The plant is subject to a wide range of harsh conditions and corrosive elements, which will reduce the expected life span of the individual components. A significant number of the components on all the air handling units have failed or are in the process of failure and replacement or refurbishment of these particular components would prove difficult due to access and physical size of certain items.”

It is worth noting is that the report indicated that the boiler and heating systems are generally considered to be in a good condition, although they would benefit from the associated work to the ventilation plant.

In summary, the report clearly indicates that the centre's ventilation system needs urgent attention, with three options. Either:

- a) Do nothing – this is likely to result in the Centre continuing to over-extend the limited repair budgets in order to maintain services, and will ultimately result in at best a limited year's service before catastrophic failure ensues.
- b) Remedial works – the consultants have indicated work to a cost of approximately £630K, which includes largely “fixes”. What this does not offer is the ability to recoup costs through energy efficiencies, as suggested by the report. It is likely also that this may also identify other areas of shortfall, which would require further investment.
- c) Replacement – the report recommends replacing the ventilation units, and implementing a number of energy efficiency measures. This would benefit from the fact that the Leisure Centre was linked up to the Aberdeen Heat and Power plant in late 2009, which may afford opportunities for further operational efficiencies. The overall scope of this work is in the region of £1.5 million. The report indicates that the initial outlay would be recouped within the lifetime of the installation, and overall efficiency would be improved. This also links to the national objective of reducing carbon emissions.

Both options b) and c) above would involve a degree of closure of the site, and associated reduction in admissions and income. Consideration could be given to whether a total centre closure would be required, or whether certain parts of the centre could be kept open. Initial timescales indicate that work could take up to 24

weeks to complete. Obviously it would be preferable to have this mitigated by only closing areas at a time.

In discussion with the board of Sport Aberdeen, they raised particular concerns about taking responsibility for this facility, with the heating and ventilation systems being in the current condition. Officers recommend that consideration be given for the Council to commit to undertaking priority works to the facility, as funds become available in the non-housing capital programme.

When this matter was considered by the Finance and Resources Committee on 17 June 2010, the Committee resolved that:

‘The Council agrees in principle to meet the cost of replacing the heating and ventilation equipment at the Beach Leisure Centre and remits to the Education, Culture and Sport Committee to consider alterations or changes to its budgetary plans to enable the expenditure involved (estimated to be £1.5m) to be met.’

Officers have reviewed the Education, Culture and Sport elements of the Non Housing Capital Programme, (which is included as an Appendix 1 to this report), and have not been able to identify anything within the programme for the current year, which is neither already underway, nor is not essential.

Given the current lack of resources to progress the project at this stage, officers feel that the risk associated with not committing to carrying out this work is significantly great that the project should be retained on a reserve list for the Non Housing Capital Programme, in order to be considered as a priority for future years.

In the meantime, it is proposed that the condition of the heating and ventilation plant at the Beach Leisure Centre is closely monitored, in order that Sport Aberdeen can report to the Council any further deterioration of this equipment, and growing risk to the facility.

The scope for funding this work would then be reconsidered as part of capital prioritisation process for the years 2011/12 and beyond within the Council’s Non Housing Capital Programme.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

- Cameron Chisholm Dawson Partnership (CCDP) – Report on Condition of Existing Heating and Ventilation Plant at Beach Leisure Centre (March 2009)
- Report and minutes of Finance and Resources Committee on 17 June 2010.

APPENDIX 1

Education, Culture and Sport Approved Non Housing Capital Programme	Budget 2010/11
<u>Schools Estate</u>	
Hanover Street Primary School Refurbishment	140
3R's Temporary Accommodation	24
Music School Accommodation	215
Outdoor Education Move to Kingswells	47
Bridge of Don Alterations	8
Renovate Sunnybank School	900
Bucksburn/ Newhills New School	190
Provision for Children with Complex Needs (Initial Allocation)	96
Provision for Children with Complex Needs (Construction)	1,088
Oldmachar Academy Heating/ Ventilation	809
	3,517
<u>Schools - ICT</u>	
Education ICT Rolling Programme	1,156
3R's New Schools ICT Provision	583
Information Communication Technology Connectivity	618
Upgrade to Management Information System	474
	2,831
<u>Schools - Other Equipment</u>	
Adequate Funding for TASSCC Equipment & Advisory Service	30
3R's Furniture, Fittings & Equipment and Other Works	2,244
	2,274
<u>Sports</u>	
Rubislaw/Harlaw Playing Fields	392
Changing Facilities Upgrade – Aulton & Hazlehead	923
Torry Outdoor Sports Centre	9
Regional Sports Facility - 50m Pool	6,000
Links Ice Arena Refrigeration Plant	130
Community Stadium	86
	7,561
<u>Culture & Leisure</u>	
Aberdeen Arts Centre Refurbishment	5
Music Hall Ceiling & Roof Space	13
Peacock Visual Arts	500
Beach Ballroom Floor Replacement	86
	604
<u>Other</u>	
Woodside Customer Access Point	135
	135
Total - Education, Culture and Sport	16,922

Note – The Corporate Asset Group is currently reviewing the current Non Housing Capital Programme, and a report is scheduled for Finance and Resources Committee on 28 September 2010, to provide an overview of the Capital Programme.