

## BILLINGHAM FORUM REFURBISHMENT - SUMMARY

### BACKGROUND

The purpose of this note is to report on the progress of the Billingham Forum refurbishment which commenced in July 2009.

Despite the challenges that are set out within this note work on the refurbishment project has already started to have a positive impact on the regeneration of Billingham town centre. Early works to re-clad the building have a high visual impact and already demonstrate a return for the investment that the Council has put into the facility. The new ice arena was able to be completed on schedule and without some of the difficulties that were foreseen in this area. The ice arena, together with the theatre with its new bar and lounge facilities, are allowing skating professionals and Riverside Leisure to already plan their programmes when they return to their new facilities.

Cabinet first approved the principle of the Forum refurbishment in February 2008. Subsequent to that on 5 March 2009 Cabinet were presented with a further report which sought approval to proceed with the refurbishment of the Billingham Forum sports complex at a cost of £15M within a time period of 76 weeks. In the 5 March 2009 report it was highlighted that the scheme would present many construction challenges and it highlighted that the levels of risk around the refurbishment of a building of this nature could be significant.

The design had been completed on the basis of a multitude of surveys some of which were intrusive to the building's fabric and therefore delivery within the overall budget was aspired to with some confidence, however, the level of risk associated with the project remained well documented.

To reduce those risk levels even further, a more comprehensive testing regime could have been adopted but this would have meant that the facility would have been lost to the community for a significantly longer period of time.

### PROGRESS

As the project got underway, the first half elements included taking apart the existing building, remove all of the existing fixtures and fittings and start the re-assembly of the mechanical and electrical equipment, reconstruction of the ice rink and reconstruction of the swimming pool floor.

As the project has gone through these stages, it presented many challenges around contamination of asbestos and structural problems that have resulted in extra investment from the project budget being required to ensure the existing building can remain fit for purpose and serviceable well into its future years of operation.

At every stage, Officers and the contractor have had to respond to the many hidden issues and surprises the original building construction has thrown up.

Robust project management and scrutiny of the processes adopted have been at the heart of every decision made to ensure the integrity of the building is protected.

The original funding package, aside from co-funders such as Sport England has relied on prudential borrowing over a 25 year period. The additional works which have resulted in a funding shortfall of £2m, have increased the longevity and serviceable life of the building, meaning that the refurbishment now has an estimated life cycle of around 30 years not the originally anticipated 25 years. In considering these conclusions around this the borrowing can therefore be rescheduled to meet the full cost of the scheme if it is profiled over 30 years, instead of 25 years. This will then recover the costs of additional works that have been necessary.

The time delays associated with the additional works are being quantified and currently are anticipated at up to 16 weeks. Officers are working actively with the contractor to agree an acceleration programme to achieve a reduction in the 16 weeks. This will come at a cost in terms of labour, but will also generate savings in respect of site establishment and TAL operating revenues, which need to be factored in.