
REPORT TO:	Cabinet
DATE:	26 May 2021
SERVICE AREA:	Culture, Tourism and Sport
REPORTING OFFICER:	Head of Operations – Harrogate Convention Centre (<i>Michael Constantine</i>)
SUBJECT:	NEW POOL FOR RIPON
WARDS AFFECTED:	All District
FORWARD PLAN REF:	EC014Nov15

1.0 PURPOSE OF REPORT

- 1.1 To brief Cabinet regarding progress in the reconfiguration and refurbishment of Ripon Leisure Centre and gain Cabinet approval to proceed with investigative and subsequent remediation works to part of the Centre on a self-insured basis.

2.0 RECOMMENDATIONS

- 2.1 Cabinet notes the progress in the construction of the new pool for Ripon and the reconfiguration and refurbishment of Ripon Leisure Centre.
- 2.2 Cabinet approves that limited investigative works to the Leisure Centre and for any resulting remedial works are to be undertaken on a self-insured basis and notes the worst financial case scenario.

3.0 RECOMMENDED REASONS FOR DECISIONS

- 3.1 In order to retain the benefit of our existing insurance cover in the future, the Council is obliged to mitigate known issues which could have an effect on this insurance cover. The discovery of a void by the existing Leisure Centre is an issue which needs investigating and remedial works undertaken if necessary. If the remedial works are not undertaken, the Council's insurers have stated that subsequent losses would not be insured. However during the period of time these investigation and remediation works are ongoing they would not be covered by insurance therefore the Council would have to self-insure for all non-negligent damage claims arising.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 To gain additional insurances to cover non-negligent damage during investigation and remediation work.

Despite extensive investigation, the brokers are not able to obtain an additional policy to cover damage caused by the investigation or remediation works.

Neither the main contractor, Willmott Dixon, nor their sub-contractors have been able to identify insurances which would cover non-negligent damage resulting from the investigation or remediation works. This option has therefore been explored fully and is not available.

4.2 To not undertake investigation and remediation works to the discovered void to part of Ripon leisure Centre

Reflecting the historic nature of the ground where the void has been discovered, consideration has been given to not undertake the investigation and remediation works. We are advised that our current building insurances for buildings, damage and public liabilities including loss from subsidence would be voided by not remediating the void.

As the Council wishes to retain the building insurances, it is understood that the void needs to be investigated and remediated and this option is therefore, recommended for rejection.

5.0 THE REPORT

Update on progress of the Ripon Swimming Pool project

5.1 Construction of the new pool for Ripon and the reconfiguration and refurbishment of Ripon Leisure Centre have been proceeding apace since August 2019. The ground stabilisation for the new building was completed in 2020 and the new build is progressing to internal construction and fit out. The Leisure Centre has been reconfigured and refurbished to the first floor which has been handed over to Harrogate Borough Council to enable access and use. Works to the ground floor have progressed with the creation of two studios and the refurbishment of the existing showers, toilets and circulation spaces.

5.2 Expert recommendations following discovery of the void

A void in the ground to the right hand side by the entrance of the existing Leisure Centre entrance was discovered last year. Following receipt of a civil engineering report, the recommendation to fill the void with inert crushed gravel has been undertaken. This has been done as a short term solution. The consulting engineers also recommended that further surveys were undertaken.

In order for the Council's to retain its building insurance cover for the Ripon Leisure Centre, it is necessary to undertake further investigation works which may include further remedial works dependant on the outcome of the investigative works subject to the requirement to self-insure for non-negligent damage during the investigation and remedial works..

5.3 No effect from void on new foundation to the swimming pool

The engineers' report states that the existing foundation of the Leisure Centre and new foundation to the swimming pool are separate and do not rely upon each other and there appears to be no instances of cracking to the ground floor concrete beams to the existing Leisure Centre. The report also states that it is believed that the void has been present for some time and is not as a result of the current works taking place on site.

5.4 **Requirement to self - insure**

Recognising the desire to investigate and mitigate the discovered void under part of the existing Leisure Centre there has been extensive dialogue with both our brokers and underwriters. This has also expanded to discussions with Willmott Dixon and their sub-contractors to explore to what extent insurances could be sourced through the construction channel.

The existing Contract Works policy expressly does not insure the results of activity classified as 'Civil Engineering'. The nature of the investigation and remedial work is viewed as 'Civil Engineering' meaning that any damage caused by or as a consequence of these works would not be able to be claimed under the insurance policy. The conclusion from the extensive insurance investigations is that for the investigation and remediation works to proceed they would need to be on the basis that HBC is self-insuring for any non-negligent damage.

Furthermore, the Council's insurers have advised that the Council should carry out the investigation works to maintain their existing buildings insurance cover and therefore the Council must undertake the recommended investigation works contained in the engineers' report.

5.5 **Potential Financial liability / Costs to self-insure**

The financial liability and therefore the cost to self-insure will depend on whether any damage occurs during the works. It is not possible to determine this as any damage is yet to occur and the costs are dependent on the extent of the damage and potential remedial works.

Should the works result in a total loss of the existing Leisure Centre due to an occurrence for which the contractors were not liable, then the current insured value of the Centre (£3,796,135 plus 10% for contents) would be foregone. Due to the limited extent of investigation and remediation, this worst case scenario is indicated for reference however it is considered to be a very unlikely event.

6.0 **REQUIRED ASSESSMENTS AND IMPLICATIONS**

6.1 The following were considered: Human Resources Implications; Legal Implications – these are reflected in the report above; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 Financial Implications;

Willmott Dixon has tendered the opportunity to undertake the investigation works and evaluations and to provide a remediation strategy. A single contractor was prepared to undertake the investigation and subsequent remediation works on a re-measurement basis.

The initial estimate for the investigation element of the works is £110k with the remediation strategy to be informed by the investigation phase. Subject to receiving the strategy the remediation costs will be able to be estimated and will be delivered on a re-measurable basis.

Legal Implications:

Legal Services has been consulted and has provided advice on the contents of this report.

7.0 CONCLUSIONS

- 7.1 The discovery of a pre-existing void under part of Ripon Leisure Centre needs to be resolved to ensure the ongoing safety of the building and the continuation of insurance cover.

In order to resolve the void, investigation and remediation works are required. Although the insurance market has been investigated it is understood that no insurance is available either directly or via contractors to mitigate a non-negligent event, Therefore the only remaining avenue to deliver the works is through covering the liability for non-negligent loss being self-insuring by Harrogate Borough Council.

Background Papers: None

OFFICER CONTACT: Please contact Michael Constantine, Head of Operations – Harrogate Convention Centre, if you require any further information on the contents of this report. The officer can be contacted at on 01423-556732 or by e-mail – michael.constantine@harrogate.gov.uk