

Decision Maker: Renewal & Recreation Portfolio Holder

For Pre-decision Scrutiny by the Renewal & Recreation PDS Committee

Date: Wednesday 1 November 2017

Decision Type: Non-Urgent Executive Non-Key

Title: **POST COMPLETION REVIEW REPORT – REPLACEMENT CHILLERS AT CENTRAL LIBRARY/CHURCHILL THEATRE**

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Chief Officer: Director of Regeneration

Ward: All

1. Reason for report

- 1.1 As part of the Capital Programme Procedures it is a requirement that schemes should be formally reviewed within one year of completion and the outcome of this review be brought to the Portfolio Holder for consideration and endorsement.

2. **RECOMMENDATION(S)**

- 2.1 That the Portfolio Holder endorses the findings of the Post Completion Reviews that have been carried out in respect of Replacement Chillers at Central Library/Churchill Theatre.
- 2.2 That the Portfolio Holder notes that the unspent balance of £36k will be removed from the capital programme.

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Effective asset management planning (AMP) is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. For each of our portfolios and service priorities, we review our main aims and outcomes through the AMP process and identify those that require the use of capital assets. Our primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in the Community Plan and in "Building a Better Bromley"..
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: £442k
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £478k
 5. Source of funding: Capital receipts
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Not Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Public Building in Central Bromley providing Library and Theatre facilities.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 The Capital Programme Procedures require that a post completion review be carried out within 12 months of the completion of schemes that are included within the programme. This process is designed to determine the Authority's performance in the following key areas:

- Were the original scheme objectives achieved?
- Were the scheme costs contained within the original budget?
- Did the scheme complete on time?
- What was the level of customer satisfaction from the end user with the overall process?

3.2 The information set out in the Appendix 1 shows the above information for the Replacement Chillers at Central Library/Churchill Theatre.

3.3 The scheme completed within budget and the original contract programme was met. A full analysis of the project is contained within Appendix 1.

4. POLICY IMPLICATIONS

4.1 One of the main aims of the Council's Asset Management Plan is to ensure that all the partners in the asset management planning processes are fully consulted on the process and its outcomes. Progression of the scheme for the Replacement Chillers at Central Library/Churchill Theatre will assist in meeting one of the key outcomes of Statutory Duty under Health & Safety Regulations and mitigate any potential financial claim from the Churchill Theatre for loss of income through equipment failure.

5. FINANCIAL IMPLICATIONS

5.1 This report provides information on a Post Completion Review that has been carried out in respect of the Replacement Chillers at Central Library/Churchill Theatre. There are no financial implications arising from the matters addressed in this report.

5.2 The original capital estimate of £460k was approved by Executive on 2nd February 2009. A further £18k was approved by Executive in July 2015, following an updated estimated project outturn figure produced by the Authority's appointed consultants.

5.3 The table below summarises the financial outturn position of the scheme.

	£'000
Capital Estimate	478
Final scheme costs	442
Balance	36

5.4 £36k was not spent. Of this sum, £18k was the additional supplementary estimate that was not required and £18k was a saving achieved against the original budget.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	

Replacement Chillers at Central Library/Churchill Theatre

Scheme Details

1. The scheme centred on the replacement of mechanical plant (air conditioning chiller units) which jointly served the Central Library and Churchill Theatre, Bromley.

Scheme History

2. The old mechanical plant was located in the basement and at roof level and consisted of water cooled chillers to provide cooled air around the building as and when required. Within the industry, 'water cooled chillers' were no longer deemed safe. In 2014 this particular installation had also been the subject of several investigations by the Health & Safety Executive in relation to public outbreaks of Legionella in this area. Whilst there was no direct link to the bacterial infection being sourced from these chillers the recommendation was to remove them altogether.

An additional complication related to the refrigerant used in the system. The "R22" liquid refrigerant that the system ran on was banned from 1st Jan 2015 under EU legislation. As such "R22" refrigerant could not be replaced in any operating system leaving the chillers inoperable in the event of a breakdown. Whilst it was not an operational problem at that time, if the system did fail there would have been significant delays and loss of income (theatre) whilst the building was closed for the installation to be replaced. The project had been added to the Capital Programme in 2009 because the plant was reaching the end of its life, but the decision to proceed was as a consequence of the HSE recommendations and the banning of the use of its refrigerant.

3. The Central Library and Churchill Theatre continued to operate whilst this work was carried out. No major difficulties were encountered during the course of the works.

	Original Estimate	Actual Expenditure	Variance
	£'000	£'000	£'000
Replacement Chillers at Central Library/Churchill Theatre	478	442	Cr 36

A budget figure of £460k had been set in 2009. The Authority's consultants produced a projected out-turn of £478k. A supplementary capital estimate of £18k was therefore added to the capital programme, approved by the Executive Committee on 15th July 2015. Much of this additional amount was requested as a client contingency to cover a number of unknown risks, including the extent of asbestos removal anticipated. Following completion of the scheme, the client contingency was not required and therefore the additional capital sum of £18k was not required in addition to the saving of £18k made against the original project budget. The final savings of £36k are of direct benefit to the Authority.

Running Costs

4. There have been no significant changes to the running costs of the building relating to this scheme.

Scheme Objectives

5. The objective of the scheme was to provide a legally safe air conditioning system for the Central Library/Churchill Theatre building.

Assessment of Scheme Success

6. The scheme objectives have been met and the Central Library/Churchill Theatre building was and continues to be fully operational on the new system without fear of breakdown or Legionella outbreak.

Assessment of Contract Efficiency

7. Contract period: 14 weeks
Start Date: 22nd May 2015
Practical Completion: 28th August 2015
Over-run: N/A

Outstanding Issues and Their Proposed Resolution

8. There are no outstanding issues.