



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Shaftesbury Community and Recreation Centre
Date:	8 May 2009
Reporting Officer:	Director of Legal Services, Ciaran Quigley – Ext 6038
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Purpose of the Report

To advise the Committee of a situation which has developed in relation to the carrying out of extension works at the Shaftesbury Recreation Centre (SRC) and steps which have been taken by the Director of Legal Services in order to protect the Council's legal interests.

Relevant Background Information

The land upon which the SRC is situated was acquired by the City Council in 1980. At that time there were old industrial buildings on the site which were subsequently, apparently, bulldozed into the ground as part of the demolition exercise. It now appears that the material which was crushed into the ground included an old corrugated asbestos roof, comprising of white asbestos material, which is relatively low risk but is nevertheless required to be dealt with under current legislation as a hazardous material.

In October 2000, the Recreation Centre and adjoining ground was leased for a ten year term to the Lower Ormeau and Markets Community Forum, with the building being managed as a community/recreation centre by the Lower Ormeau Residents Action Group (LORAG). LORAG subsequently approached the Council seeking a longer lease in order to allow it to carry out a major scheme of alteration and extension works to the centre and the Council agreed to grant an extended lease of twenty-five years, running from February 2009, for the purpose of facilitating the scheme. The cost of the scheme is approximately £1.7M plus fees and VAT, and LORAG applied for and received a suite of funding from Sport NI (SNI) and DSD/BRO.

When the construction works commenced in January 2009, fragments of the white asbestos material (the presence of which was hitherto unknown) were discovered in the course of the excavations for the ground beams at the rear of the site.

The consultants involved in the project were then tasked with costing the excavation, testing and removal of the contaminants from the site and the costings which they have produced

currently amount to £96,500, although this figure does not include VAT and fees, so that the gross additional cost could potentially amount to a sum of approximately £120,000.

The main difficulty which has arisen as a result of the discovery of the contaminants has been in relation to the funding viability of the scheme, given budgetary constraints which SNI and DSD/BRO are operating under and, at one stage, the entire scheme was under clear threat of having to be closed down.

However, discussions then ensued between the statutory agencies, namely the Council, SNI and DSD/BRO in an endeavour to ensure that the works could proceed at the minimum additional cost and on the basis that all parties agreed to work together in order to find a solution to dealing with the question of the additional costs.

A proposal has now been tentatively agreed that, as between SNI/DSD on the one hand and BCC on the other hand, it is agreed that for purposes of negotiation, all parties will operate on the basis that there will be a cap on the additional expenditure amounting to the sum of £100,000. DSD have agreed to contribute £20,000 of this additional cost, and the proposal now is that BCC and SNI will share the remaining sum of £80,000 between them on an equal basis.

The foregoing suggested settlement is, however, conditional on the basis that these sums will be reduced by any sums left outstanding upon completion of the works and which still remain in the contract contingency funds.

The Director of Legal Services has obtained advice from Senior Counsel as to the appropriateness of the Council participating in such a rescue arrangement, and he will verbally update the Committee in relation to that advice, will appropriate recommendations flowing there from.

Resource Implications

The Council would be required to contribute up to a maximum of £40,000 towards remedial/disposal costs, subject to any reductions becoming possible as a result of any contributions which might be available from the contract contingency funds.

Recommendations

It is recommended that the Committee notes the current position and takes steps on the basis of advice from the Director of Legal Services.

Decision Tracking

Key to Abbreviations

BRO – Belfast Regeneration Office

DRD – Department for Regional Development

LORAG – Lower Ormeau Residents Action Group

SNI – Sport Northern Ireland

SRC – Shaftesbury Recreation Centre