

COUNCIL

Urgent Business Item: Carnforth Swimming Pool 19 July 2017

Report of Chief Officer (Health and Housing)

PURPOSE OF REPORT

To consider a request for the city council to continue to operate Carnforth pool for a further 3 months to 31st December 2017 to allow time for Carnforth Town Council to lead on developing a community interest company to take over the pool.

This report is public

RECOMMENDATIONS

- (1) **That Council decides whether to continue to operate Carnforth pool for a further 3 months until 31st December 2017, with any extension being funded from the Budget Support Reserve.**

1.0 Introduction

- 1.1 Council on 14th December 2016 resolved :-

That if the schools are committed to taking on the pools and there is a potential viable business case, but need more time to finalise arrangements, the Council will support the continuation of operation of the pools beyond April 2017, for a limited period, and Cabinet is requested to incorporate this into the budget proposals for 2017/2018.

- 1.2 Following this, Cabinet on 14th February 2017 agreed to continue to fund the operation of Carnforth and Heysham pools for a further 6 months until 30th September 2017 as these two pools appeared to have viable business cases. Unfortunately, this wasn't the case at Hornby pool and this pool closed on 31st March 2017 but the city council supported a potential community asset transfer by keeping the pool plant operational in terms of maintenance. Cabinet's proposals were subsequently approved at budget council on 1st March 2017.

- 1.3 The above proposal delayed the handing back of the pools to their owners, Lancashire County Council until 30th September 2017. It was previously anticipated that by this date, the schools would have been in a position to complete the community asset transfer. As detailed later in this report, this has not been achievable for Carnforth school and this urgent business

decision is being sought due to Carnforth Town Council wanting to pursue the establishment of a Community Interest Company whilst the pool remains open and operational so that the transfer can be seamless. The next full council meeting after this one is 27th September 2017 which would be too late to consider a request for an extension given that the pool is to be handed back on 30th September 2017.

2.0 Proposal Details

- 2.1 Since then Heysham and Carnforth schools have worked to develop business cases for taking on the pools supported by Sport England, Lancashire County Council, Lancashire Sport and the city council. For both schools, a critical success factor in the business case was to be able to physically link the pools with the school by way of a new building and reconfigured entrance. Capital costs for the new buildings using Sport England's commissioned architects proved prohibitively expensive for both schools.
- 2.2 Heysham school have sourced an alternative local contractor who provided a revised scheme and costs that the school can pursue and seek capital funding for from Sport England's community asset fund and Lancashire County Council. The current position of Heysham school is that the funding application is progressing and they expect to be able to make significant progress shortly and be in a position to take on the pools from 1st October 2017. Therefore, Heysham school are not asking for the city council to operate the pools beyond 30th September 2017. The city council will therefore be handing Heysham pool back to Lancashire County Council on 30th September for them to make ongoing arrangements directly with Heysham school. Hornby pool will be handed back on the same date, as previously agreed.
- 2.3 Carnforth school have not been able to source an alternative contractor or revised affordable scheme and therefore have decided not to pursue taking on Carnforth pool. This position only really became clear for Carnforth school in the last couple of weeks and at that point Carnforth Town Council agreed to try and lead, setting up a Community Interest Company (social enterprise) with interested stakeholders and members of the local community.
- 2.4 As the Town Council only became aware of the school's position very recently, they do not think they will be in a position to have formed the company, completed a community asset transfer from Lancashire County Council and be ready to operate the pool from 30th September.
- 2.5 The Town Council is requesting that the city council continues to operate the pool as currently until 31st December 2017 rather than hand the pool back to county on 30th September (as county have said they do not intend to operate the pools when they are handed back). The Town Council anticipate this will give them enough time to establish the CIC and be able to offer a seamless transition to allow the facility to remain open for the benefit of the surrounding communities.
- 2.6 Furthermore, several primary schools and local clubs use Carnforth pool for school lessons and private swimming and the extension would allow these schools to continue their autumn term school swimming lessons and ideally then continue their lessons at Carnforth pool from 1st January once the CIC has taken over instead of finding provision elsewhere from 1st October 2017.

- 2.7 So far, in the short time available, it appears the Town Council has made rapid progress in pursuing the establishment of a CIC, e.g. completing the first stage community asset transfer paperwork, seeking legal advice on the requirements of a CIC, gauging stakeholder and other public support - financial or otherwise. Initial indications to officers would suggest the Town Council is very committed and optimistic about making the transfer a reality.
- 2.8 The Town Council is not requesting any other financial support from the city council beyond an extension of operation to 31st December 2017. In the same way as we did for the schools, we have offered to meet with the Town Council to explain our income and expenditure budgets and how we operate the pools etc. but clearly exactly how any newly formed CIC chooses to operate is down to them.

3.0 Details of Consultation

- 3.1 Regular dialogue has been held with the schools, Sport England, Lancashire County Council, Lancashire Sport, and Amateur Swimming Association. In addition, the city council has been following its statutory consultation processes for staff affected by the proposals.

4.0 Options and Options Analysis (including risk assessment)

| | Option 1: The city council continues to operate Carnforth pool for a further 3 months to 31 st December 2017 | Option 2: The city council does not continue to operate Carnforth pool and hands the pool back to County on 30 th September 2017. |
|---------------|--|---|
| Advantages | <p>Allows extended time for Carnforth Town Council to establish a CIC.</p> <p>If the CIC can be formed by this date, allows for a seamless transition of operation from city council to the CIC with no period of closure for the pool.</p> <p>Primary school swimming lessons and club use could continue for the autumn term negating the need for them to make alternative provision from 1st October.</p> <p>Would demonstrate commitment from the council to give the pool the best chance of staying open in the long term.</p> | <p>Costs remain within original budget.</p> <p>The position for the staff remains as consulted on.</p> |
| Disadvantages | <p>Additional unbudgeted council resources needed to continue the operation for an additional 3 months.</p> | <p>If the pool is closed for a period of time from 1st October – the enthusiasm and commitment from the community to pursue taking on the pool may be reduced.</p> |

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| | <p>Consultation has already started with staff on the original plans and so changes could cause uncertainty for the staff.</p> <p>However, in mitigation, the staff are extremely committed to the pool and would accommodate any change in plan.</p> | |
| Risks | <p>There is no guarantee that extending the pool operation for 3 months would be sufficient time for the community to establish a CIC as this is unknown at this stage. However, it would still be possible for the CIC to continue to pursue a takeover beyond 31st December whilst the pool is closed albeit not as smoothly.</p> | <p>Possible reputational risk as the council could be seen as not supporting a genuine desire by the community to take over the asset and retain swimming provision in the area.</p> |

5.0 Conclusion

- 5.1 Members are requested to decide whether they support the city council continuing to operate Carnforth pool for a further 3 months to 31st December 2017. Whilst the extension request would present a greater opportunity to secure the continued operation of the pool in question, there are costs and risks attached with no guarantee regarding the outcome. Council is therefore simply advised to reach a decision, based on the information contained in this report.

CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

Enabling the continued operation of the pools for community benefit would mean greater access to leisure facilities for as many residents as possible. The council would be helping to facilitate a community asset transfer to enable continued operation of a facility (previously funded by the council) with no ongoing operational costs to the council.

LEGAL IMPLICATIONS

As the lease with the County Council has been brought to an end by serving notice to quit, and to avoid creating uncertainty surrounding tenure after September should occupation still be required, Legal Services should be instructed to complete a deed of Surrender of the lease and complete a licence to occupy the premises from 1st October 2017 until the 31st December 2017.

FINANCIAL IMPLICATIONS

The additional financial implications relating to the continued operation of Carnforth pool until 31st December 2017 are set out in the table below, covering both the current approval to 30 September, and the additional extension now sought:

| | To 30 September | | Extension to 31 December | Total Additional Cost |
|----------------------------|----------------------------|----------------------------|---------------------------|---|
| Expenditure | 2017/18 Budget (Apr-Sep) £ | 2017/18 Updated Forecast £ | Oct-Dec 2017 Projection £ | Total Budget Requirement Apr-Dec 2017 £ |
| Employees | 51,500 | 50,600 | 25,400 | 76,000 |
| Premises | 17,900 | 18,100 | 9,200 | 27,300 |
| Transport | 5,500 | 5,500 | 2,800 | 8,300 |
| Supplies & Services | 10,700 | 10,500 | 5,500 | 16,000 |
| Total Expenditure | 85,600 | 84,700 | 42,900 | 127,600 |
| Income | | | | |
| Fees & Charges | 50,000 | 50,000 | 25,000 | 75,000 |
| County Contribution | 35,600 | 0 | 0 | 0 |
| Total Income | 85,600 | 50,000 | 25,000 | 75,000 |
| Net Operating Costs | 0 | 34,700 | 17,900 | 52,600 |

The net cost directly attributable to the requested extension is £17,900.

Any extension may have some implications for potential liabilities in respect of staff termination costs and whilst these cannot be quantified, they would not be material.

In addition, it should be noted that when last reported at Budget Council (1 March 2017) it was anticipated that the County Council would provide funding to cover the original 6 months operation costs to 30th September 2017, however this is now considered unlikely and so the associated projected net shortfall of £34,700 (regardless of whether or not a further extension is granted) will need to be met from the Budget Support Reserve in line with the original resolution.

It should be further noted that any shortfall for Heysham pool up to 30th September 2017, currently estimated at £43,200, will also be met from the Budget Support Reserve, should County funding not be forthcoming.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:

As outlined in the report.

SECTION 151 OFFICER'S COMMENTS

The S151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comment.

BACKGROUND PAPERS

None

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