

# CABINET

## Heysham Swimming Pool 5 December 2017

### Report of Chief Officer (Health and Housing)

PURPOSE OF REPORT				
To consider a proposal from the Leader of Lancashire County Council to share the shortfall in funding required for Heysham School to take ownership of and operate Heysham swimming pool.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	X	Referral from Cabinet Member
Date of notice of forthcoming key decision		N/A		
This report is public.				

#### RECOMMENDATIONS OF COUNCILLOR DARREN CLIFFORD

- (1) That Cabinet supports the proposal to share the shortfall in capital funding to enable Heysham School to take on and operate Heysham Pool.
- (2) That Cabinet approves to grant capital funding of £36k (to be funded from the Budget Support Reserve) to Heysham School, subject to the city council being satisfied that, as far as is reasonable, the school has a robust business plan in place to support the ongoing operation of the pool to the benefit of the community.

#### 1.0 Introduction

- 1.1 Since April 2016, Officers have been supporting community interest groups and Heysham and Carnforth schools to explore the viability of them taking over the pools at Heysham, Carnforth and Hornby.
- 1.2 During this time, further support was agreed by the city council in extending the operation of Heysham and Carnforth pools to allow more time for Heysham school and Carnforth community groups to prepare their business plans and set up arrangements to take on the pools.
- 1.3 With substantial commitment and hard work by community groups in Carnforth and Hornby, Lancashire County Council recently agreed in principle to go ahead with the community asset transfers for these 2 pools. It is anticipated that these pools will progress to new ownership and continued operation in the New Year.

## 2.0 Proposal Details

- 2.1 Heysham school's business case has always been predicated on being able to physically link the pool with the school by way of a new building and reconfigured entrance. The new building and new entrance enables the school to make efficiencies in the revenue costs of operating the pool by joining it with the existing fitness facilities and new reception area, resulting in being able to make the pool operation a viable business proposition.
- 2.2 The capital cost of the new building is understood to be substantial (£289K) and the school have secured an in principle commitment of £150k funding from Sport England. This funding is required to be match funded.
- 2.3 The school have committed £31k and Lancashire County Council have committed £36k. This leaves a funding shortfall of £72k.
- 2.4 Lancashire County Council have proposed that this shortfall be met by sharing this equally between the county and city, i.e., £36k each. This would mean that the total funding would all be secured in principle and enable the next stage of the community asset transfer to the school to progress.
- 2.5 Whilst there have been discussions with Heysham school about the operation, officers have not seen the school's business plan for the continued operation of the pool and therefore at this stage cannot comment on the robustness of the financial projections. We do know however, that Sport England would not commit to a substantial amount of capital funding without undertaking their own financial appraisal to justify their grant.
- 2.6 Officers have requested to see the business plan to undertake our own due diligence and be satisfied of the robustness of the business case.

## 3.0 Details of Consultation

- 3.1 Officers have been in contact with Heysham school for a number of months and we are aware that even though the request for funding hasn't come directly from the school, they have confirmed the funding is required for them to be able to take on the pool.

## 4.0 Options and Options Analysis (including risk assessment)

	<b>Option 1:</b> Grant capital funding of £36k to Heysham school to enable the pool to continue to operate.	<b>Option 2:</b> Do not grant the funding.
Advantages	<p>Gives the best chance of allowing the pool to remain open for the community.</p> <p>Sends a strong message to the community that the council values the importance of such a community facility for its health, wellbeing and social importance.</p>	Costs remain as originally budgeted.

	Primary school swimming lessons and club use would continue at Heysham pool reducing the burden on limited space at SALC for these.	
Disadvantages	Additional unbudgeted council resources are required to fund the request.	Would potentially mean the pool closes as the school have stated they cannot take on the pool without all the funding being in place.
Risks	As with any new venture, there is no cast iron guarantee that the pool will remain a viable business in the future. Mitigating factors are the financial and time commitment shown by the school, the county council and Sport England.	Reputational risk as the council could be seen not to support communities trying to secure local facilities or the council could be seen as not to value health and wellbeing.

## 5.0 Conclusion

- 5.1 Cabinet is asked whether it wants to grant capital funding of £36k to Heysham School to support the continued operation of the pool for the benefit of the community.

### RELATIONSHIP TO POLICY FRAMEWORK

Meets the council's Health & Wellbeing priority.

### CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing):

Enabling the continued operation of the pool for community benefit would mean greater access to leisure facilities for as many residents as possible.

### LEGAL IMPLICATIONS

If necessary, Legal will advise on the terms of any grant agreement entered into with Heysham School.

### FINANCIAL IMPLICATIONS

Subject to the city council being satisfied that as far as is reasonable, Heysham school has a need for the funding requested and a robust business plan is in place for the continued operation of the pool, then the additional £36K capital cost to the city council could be met from the Budget Support Reserve. As at the end of Quarter 2 monitoring, the available balance on that reserve was expected to be in the region of £700K. Cabinet has discretion to make allocations from that reserve, in line with its views on priorities and spending needs.

Should Cabinet wish to provide support to the school and subject to a satisfactory outcome from the due diligence work, then terms and conditions for the grant, including actual payment, would be agreed by the Chief Officer (Health and Housing) and Legal/Financial Services, to protect the council's interests.

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

None.

**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 comments.

**BACKGROUND PAPERS**

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