

CABINET

Community Swimming Pools

19 January 2010

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT				
To consider savings options in respect of the 3 Community Swimming Pools in Carnforth, Heysham and Hornby.				
Key Decision	X	Non-Key Decision	Referral from Cabinet Member	
Date Included in Forward Plan	January 2010			
This report is public				

RECOMMENDATIONS OF COUNCILLOR JUNE ASHWORTH

- 1) That the City Council issues the necessary 12 month notice to terminate the partnership agreement with the County Council, from 1st April 2010.
- 2) That community swimming is redirected to the pools identified in 3.3 of this report.
- 3) That the school and club swimming be handed back along with the facilities to Lancashire County Council.

1.0 Introduction

- 1.1 As part of the Draft 2010/11 budget process, Officers have been asked to prepare a report on savings options in respect of the 3 Community Swimming Pools in Carnforth, Heysham and Hornby.

2.0 Proposal details

- 2.1 The 2010/11 draft revenue budgets for the three Community Swimming Pools in Carnforth, Heysham, and Hornby are summarised below:-

Carnforth	£66,600 (net revenue subsidy)	}	
		}	
Heysham	£37,100 (net revenue subsidy)	}	Total £133,500
		}	
Hornby	£29,800 (net revenue subsidy)	}	

- 2.2 The three Community Swimming Pools have since 2001 been the subject of a Partnership Agreement between Lancashire County Council and Lancaster City Council. The establishment of the Community Swimming Pools Partnership Agreement, came about as a result of Lancashire County Council's notice to withdraw from operating the three community swimming pools, following the delegation of swimming budgets directly to schools i.e., at the time the three community swimming were threatened with closure. Following from the Partnership Agreement, Lancashire County Council undertake the "landlord" function as the owners of the premises, and Lancaster City Council manage and operate swimming services for both community and school swimming (directly to the schools, as a "devolved" activity). Predominantly, the latter relates to all the primary schools within the Lancaster District who are required to provide swimming as part of Key Stage 1 and Key Stage 2 of the National Curriculum for Physical Education. A small number of Secondary Schools within the Lancaster district also access the three Community Swimming Pools.
- 2.3 It is a condition of the Partnership Agreement between Lancashire County Council and Lancaster City Council that either party gives a full twelve months notice of intent to terminate the above Agreement. In the event of terminating the Agreement between Lancashire County Council and Lancaster City Council in respect of one, or more, or all of the Community Swimming Pools there would be HR implications (i.e., redundancy/redeployment) to Lancaster City Council.

3.0 General

- 3.1 Throughput at the City Council's sports facilities is in excess of ½ million people per year. When measured against Association of Public Service Excellence (APSE) bench-marking (formerly Best Value) data, Lancaster City Council's sports facilities and services were consistently ranked in the "top quartile", taking into account efficiency, excellence and value for money. As part of a Department of Culture, Media and Sport (DCMS)/Sport England "Active People" 2009/10 survey, using National Key Performance Indicators (NKPI), Lancaster City Council emerged as the only district in Lancashire and one of only three districts in the North West to show improvements in sports participation (Lancaster was recorded as having achieved "significant" increases in participation, coaching and sports development). Swimming contributes to both the City Council's corporate objectives and the Lancaster District Local Strategic Partnership's priorities.

	Annual public throughput (08/09)	Annual schools swimming throughput (08/09)	Total annual public & schools swimming throughput (08/09)
Carnforth Pool	31,115	18,124	49,237
Heysham Pool	45,801	26,496	72,297
Hornby Pool	30,291	14,310	44,601

- 3.2 The provision of community swimming pools is a discretionary function for District Councils.
- 3.3 As part of the current options appraisal in respect of the three Community Swimming Pools, Cultural Services has undertaken a review of pools provision within the District. The following is a summary of that review;-
- Salt Ayre Sports Centre (Public access. Able to accommodate some, but not all school/and or public use associated with the 3 community swimming pools)

- Capernwray Hall (Public access)
- JJB Fitness (Members Club)
- Lancaster Royal Grammar School – poor condition, very limited use
- Lancaster University - Public and private use, but no spare capacity
- Pine Lake Resort (Private)
- Sandpiper Health Club (Members Club)
- Spirit Health Club (Members Club)
- Total Fitness (Members Club)
- VVV Health Club (Members Club)
- Whoop Hall County Club (Members Club)
- Ripley St Thomas School - may be able to accommodate some school/and or public use
- Holgate Leisure Park (Primarily private, but with some public access)
- Mansergh Caravan Park (Private)
- Bleasdale Special School - Fully used with no spare capacity
- South Lakes Leisure Park (Private)
- Ocean Edge Leisure Park (Private)

Of the above, 12 are members or private pools (with some only operating “seasonally”). In addition the majority are not of the required size or layout for school swimming classes. Of the other 5 identified, who offer casual swimming, only Salt Ayre Sports Centre and Ripley St Thomas School may be able to accommodate some of schools swimming programme. However, Salt Ayre Sports Centre and Ripley St Thomas School alone could not accommodate anywhere near the total current level of usage in any one of the three community pools.

3.4 A related issue to identifying existing and/or alternative “water space”, in particular for schools swimming, is the actual size and geography of the district. Although the districts boasts a highly successful community and schools swimming service, the distances involved means that the cost and time it takes to travel to any of the alternative community pools is prohibitive to the primary schools within the District in meeting Key Stage 1 and Key Stage 2 of the National Curriculum for Physical Education. Notwithstanding the conditions within the Partnership Agreement between Lancashire County Council and Lancaster City Council i.e., requiring either party to give twelve months notice to terminate the Agreement, the only practicable option for Lancaster City Council to evaluate would be the impact of a closure of Heysham Swimming Pool and “decanting” community and/or school swimming from Heysham Swimming Pool to Salt Ayre Sports Centre. In terms of the 2010/11 draft revenue budget the above would offer an annual and on-going saving of £37,100 (However, there would be one-off HR related issues i.e., redundancy costs, for Lancaster City Council to evaluate and resolve).

3.5 The provision of curricular based swimming is not a statutory District Council function, but a matter for the Local Education Authority and schools to determine.

4.0 Details of Consultation

4.1 This report was prepared following a request to officers, as part of the 2010/11 budget process, to prepare a report on savings options in respect of the 3 Community Swimming Pools in Carnforth, Heysham and Hornby

5.0 Options and Options Analysis (including risk assessment)

- 5.1 Option A** - As to-date, no significant progress, in terms of cost savings, has been made from attempting a renegotiation of the Partnership Agreement between Lancashire County Council and Lancaster City Council, Cabinet is asked whether it wishes to give consideration to issuing twelve months notice from 1st April 2010, of Lancaster City Council termination of the Partnership Agreement (i.e., to be implemented after 31st March 2011) i.e., to refer the operation of the 3 Community Swimming Pools, back to Lancashire County Council.

No cost savings have been assumed so far for 2010/11. However, on the basis of Lancaster City Council referring the operation of the 3 Community Swimming Pools, back to Lancashire County Council, there would with effect from 1st April 2011 be potential annual savings to Lancaster City Council of:-

Carnforth	£68,900	}	
or/and		}	
Heysham	£44,900	}	Total £147,700
or/and		}	
Hornby	£33,900	}	

There will also be HR implications (costs as yet undetermined)

- 5.2 Option B** - Investigate whether an alternative operator can be found for the Community Swimming Pools at Carnforth, Heysham and Hornby.

As part of the 2009/10 budget deliberations, this option was pursued, but the outcome was that the alternative (private) sector operator was seeking an operating/management fee (not much less than the current revenue expenditure), and a guarantee that community and schools usage would remain at current levels, for the duration of any operating agreement. As neither the City Council nor County Council could offer such guarantees, discussions regarding alternative (private) sector management to operate one or more of the three community swimming pools terminated.

- 5.3 Option C** - To retain the Partnership Agreement with Lancashire County Council, for the operation of the 3 Community Swimming Pools at Carnforth, Heysham and Hornby, but to review and reduce the swimming programme.

Typically, usage at public swimming pools is a mixture of:- casual swimming, club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme. Based on the above, the % usage and cost profile at the three community swimming pools (based on 08/09 throughput), are:-

	casual usage %	club usage %	lessons usage %	schools usage %
Carnforth	29%	28%	12%	31%
Heysham	49.5%	25%	8.5%	17%
Hornby	42%	26%	14%	18%

	casual net cost/(surplus)	club net cost/(surplus)	lessons net cost/(surplus)	schools net cost/(surplus)	Total Net Draft Budget 2010/11
	£	£	£	£	£
Carnforth	68,600	(4,600)	(5,600)	8,200	66,600

Heysham	52,700	(8,800)	(2,600)	(4,200)	37,100
Hornby	28,800	(2,000)	(2,200)	5,200	29,800
Total	150,100	(15,400)	(10,400)	9,200	133,500

Estimated net costs, based only on an extrapolation of % usage, shows that for the majority of swimming programmes, the least efficient and least economic provision is casual swimming. The reason for the above is that for club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme, pool operators can offset expenditure against known income, but that is more difficult for casual swimming, where the fixed cost and related operational costs (in particular lifeguard/staffing costs) remain whatever the actual throughput. An option would be for Lancaster City Council only to provide casual swimming as part of the programme in Salt Ayre Sports Centre (i.e. casual swimming, club swimming - including private/commercial lettings, swimming lessons, and schools swimming programme), and to operate only club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme, in the three community swimming pools. The review of pools provision within the District (highlighted in Paragraph 3.3) gives an indication of where there is capacity for casual swimming, although this is limited as the majority are either private/member only facilities as opposed to being open to the general public.

In theory, based on the table above, the estimated draft 2010/11 annual revenue 'saving' to Lancaster City Council in not providing casual swimming, but still offering club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme, at the three community swimming could be up to £150,100, but in reality any savings would be significantly less (if at all), for the reasons highlighted above. If this option was to be pursued, there would need to be greater consideration of the implications before a final decision could be taken.

This option also retains the provision of club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme at the three community swimming pools.

5.3 Option D - To retain the current level of swimming provision within the district, including Carnforth, Heysham and Hornby via the existing Partnership Agreement with Lancashire County Council.

There would be no financial savings to the City Council.

6.0 Officer Preferred Option (and comments)

6.1 The City Council's position is that, providing school swimming facilities are not a statutory requirement nor are they within discretionary priorities, the above report identifies that, with regards community swimming, there are alternatives available. In light of this, officers recommend that the partnership with Lancashire County Council is terminated and the pools are handed back to the County Council, i.e. option A.

7.0 Conclusion

7.1 The report raises significant issues in terms of determining Value -Vs- Cost in maintaining publically accessible sports and leisure facilities within the District.

RELATIONSHIP TO POLICY FRAMEWORK

The three Community Swimming Pools at Carnforth, Heysham and Hornby are an integral part of the Cultural Services "offer" within the District and impact in terms of facilities provided for residents and visitors.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The report raises issues in respect of community safety, sustainability and rural proofing.

FINANCIAL IMPLICATIONS

The figures quoted within the report are draft figures that have yet to be agreed as part of the 2010/11 budget process. In addition costs may increase if the current increased casuals and overtime costs continue into future years, approximately £33,000. For now both the draft revenue budget and the options below do not include this cost element whilst Officers within Cultural Services review pool staffing structures to determine why costs are increasing.

Option A

No cost savings have been assumed so far for 2010/11. However, on the basis of Lancaster City Council giving 12 months notice from 1st April 2010, there would with effect from 1st April 2011 be potential annual savings to Lancaster City Council of:-

Carnforth	£68,900	}	
or/and		}	
Heysham	£44,900	}	Total £147,700
or/and		}	
Hornby	£33,900	}	

However, there will also be one-off HR implications (costs not yet determined) to take into consideration which will reduce full year savings achievable in year 1 of implementation. These are not expected to fundamentally change the overall savings position, however.

Option B

Lancaster City Council has previously exposed the three community swimming pools at Carnforth, Heysham and Hornby to market testing, but found to exercise to be unviable.

Option C

If adopted with effect from 2010/11, it is possible that for the 3 community pools in Carnforth, Heysham and Hornby, there is potential for some financial saving, however the figure quoted under section 5.3 should be treated with extreme caution as it has not yet been possible for Financial Services to fully review the costings associated with this option and there is a significant element of fixed expenditure such as rates and energy costs that would remain. As such, this option may not represent value for money, in terms of asset management. Indeed, it could be the case that this option could cost more., unless there was a review of pricing policy – though this in itself could create further difficulties.

As in Option B, there may also be one-off HR implications (costs not yet determined) to take into consideration. Alternatively, due to a current duty manager vacancy at Heysham Pool it should be possible to avoid a redundancy situation if a pool management restructure is implemented instead to take account of the reduced service.

Should Cabinet determine that this is their preferred option regarding the future operation of the three community pools, a more detailed report (to include all operational, financial and legal matters) will need to be brought back to Members before any final decision, or before making any associated budget assumptions as part of the budget process.

Option D

No cost savings would accrue.

SECTION 151 OFFICER'S COMMENTS

Members are advised to consider any proposals in context of their proposed priorities, relevant existing or emerging policy, and the Council's financial prospects. In particular, this is to ensure that value for money is considered, as well as affordability.

LEGAL IMPLICATIONS

Any review or termination of the Partnership Agreement between Lancashire County Council and Lancaster City Council in respect of the three Community Swimming Pools in Carnforth, Heysham and Hornby would require support and advice from Legal Services.

Legal Services has considered both the Agreement and Lease documents. Both documents are silent as when the pools should be open, but clearly the intent of these documents is to pass all management/operational responsibilities to Lancaster City Council.

The Agreement defines the 3 grounds upon which the Agreement can be determined:-

1) On the occurrence of a material breach of any provision of the Agreement.

If it was resolved to stop managing and operating the pools. This would be a material breach.

2) The Agreement shall automatically terminate upon termination of the lease (for whatever reason)

The City Council could surrender the lease. This can be done expressly by deed, both parties entering into a deed of surrender and agreeing all liabilities placed upon the City Council cease from the date of surrender. Or implicit by handing back the keys to Lancashire County Council and the County accepting them and the surrender being effected by operation of law. It is not known whether the County Council would agree to either course of action.

3. By giving not less than 12 months notice to terminate as referred to in the body of the report.

If it was resolved to close the pools the legal implications are that the County Council, potentially could be liable for a further 12 months rent for the period from 16th May 2010 until 15th May 2011.

Other issues:-

The H.R. issues referred to in the report.

Potential claims for compensation arising from any contractual commitments made with users of the pools.

Any outstanding claims or disputes directly arising from the City Council's management/operation of the pools.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

N/A

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