

# **POSITION STATEMENT ON REPLACEMENT SWIMMING POOL FOR NORTH HEREFORDSHIRE**

## **PROGRAMME AREA RESPONSIBILITY: COMMUNITY AND SOCIAL DEVELOPMENT**

**CABINET**

**17TH JULY, 2003**

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### **Wards Affected**

All wards in North Herefordshire (North of Roman Road).

### **Purpose**

To advise Members of the outcome of Sport England's Facilities Planning Model Exercise to determine the demand for water space in Herefordshire and to indicate the issues which need to be considered by the Council in seeking to deliver a replacement swimming facility to serve the residents of North Herefordshire.

### **Key Decision**

This is a Key Decision because it is significant in terms of its effect on communities living or working in an area comprising two or more wards. A Notice in accordance with Section 15 of the Local Authorities (Executive Arrangements)(Access to Information) Regulations 2000 was sent on to the Chairman of Social and Economic Development Scrutiny Committee.

### **Recommendation**

- THAT:**
- (a) the content of the report and its supporting papers be noted;**
  - (b) the information provided in the Report be used as a basis to formulate a decision on how to proceed with the issue;**
- and**
- (c) Sport England be notified of the Council's view in accordance with their request following our receipt of the completed Study Documents.**

### **Reasons**

1. In October 2002 as a result of a failed National Lottery Sports Fund bid and on the advice of Sport England, the Herefordshire Council agreed to work with Sport England to undertake a Joint Facilities Planning Model Study to ascertain the likely demand for water space in Herefordshire. The aim of the study was to inform the Council on the most appropriate swimming provision for North Herefordshire based upon an assessment of aggregated unmet demand.
2. This work was carried out over a 6 month period using staff from Herefordshire Council, Sport England's Regional Office and the Sheffield Hallam University. The final report of April 2003 contained the results of a comprehensive study of supply and demand for water space across all providing sectors in both Herefordshire and

its surrounding Local Authority neighbours.

3. It was agreed that the findings of the study would be presented to the Council following the May Local Government elections.
4. Following consideration of the content and implications of the report, Sport England suggested that the Herefordshire Council formulates a decision as to how it wishes to now proceed given the evidence provided. Sport England would then respond indicating whether or not the Council's new proposals provide a more solid basis for a renewed Lottery bid.

## **Considerations**

### **Background**

1. Previous reports to Cabinet dated 12th September, 2002 regarding Sport England's refusal of funding, and to Cabinet on 28th March, 2002 regarding the closure of the Pool refer. The Sydonia Swimming Pool was built in 1937 as an outdoor facility. The facility was enclosed to form an indoor pool at Local Government Reorganisation in 1973/4. Over the period during which the Leominster District Council held responsibility for the Pool, the Council was aware that the structural condition had deteriorated to a point when its condition was irretrievable from a purely maintenance perspective. When the pool became the responsibility of the Herefordshire Council in April 1998, the transferred Client Maintenance budget for the facility was less than £10,000 p.a. In the Autumn of that year the Council's Property Services Department undertook a Building Condition Survey which confirmed that the building was in very poor structural condition and had a limited useful life. Following this survey, Leisure and Property Services jointly undertook work to bring forward proposals for a replacement facility based upon comprehensive community consultation undertaken by the then Community Liaison Service. A proposed scheme with approved planning consent was produced in August 2001. In March 2002 the pool was closed on grounds of Health and Safety, and it was resolved that the Council submit an application to the National Lottery Sports Fund for a replacement facility based upon the scheme provided. The application was submitted in May 2002 and was rejected in September 2002 at Stage One of the process. Following various discussions with both Regional and National Officers of Sport England, in October 2002 the Council was advised to undertake a Facility Planning Model exercise prior to consideration of resubmitting a further application.
2. The National Lottery Sports Fund was suspended in December 2002 to enable a fundamental stock take of the Lottery's impact to date. This suspension was due to be lifted in April 2003, but has since been extended to September and lately December of this year. The Council has been advised that any new applications to the fund are unlikely to be invited until April 2004 at the earliest. No details have yet been provided as to the priorities of the new programme and the timescales and process for bid determination.
3. The key indicative message emanating from the study is that there is a case for some indoor swimming provision in Leominster, but this is not an overwhelming one – only 29m<sup>2</sup> of water space deemed to be needed. (A small community pool of 20m x 8m = 160m<sup>2</sup> of water space). The Model suggests that 84.8% of demand for swimming in the county is already met with current provision. Further assertions are that:
  - a) a 20m x 8m pool would attract a projected 77,100 potential users;

- b) a 25m x 8.5m pool would attract the same potential users as a);
- c) a 25m x 12.5m pool with a 50m<sup>2</sup> learning bay would attract a projected 97,550 potential users.

In each of the above scenarios it is indicated that between 38,400 (a) and 63,700 (c) visitors would be at the expense of users currently attending other neighbouring pools (both within and without the county).

4. Based upon actual throughput information provided by the Herefordshire Council and Halo (the Herefordshire Community Leisure Trust), these projections are seen to be significantly understated. The actual throughput for the Sydonia Pool over the four years of operation since Local Government Reorganisation have consistently averaged over 130,000 with a figure close to 140,000 for the year immediately prior to closure. Further, given more in-depth research undertaken by Halo since April 2002 there is a significant risk that these figures may well have been understated.
5. Recent research undertaken by the Council's Research Unit in relation to the Housing Needs Study in the Leominster area (January 2003) has highlighted that the issue of swimming provision in the Leominster and greater North Herefordshire area has risen to one of the single most significant priorities for the residents of North Herefordshire. Given this strength of feeling in the local community, a campaign to secure a replacement pool has been mounted which has rapidly gathered momentum attracting the interest of media at a regional level.
6. Consideration should be given to the implications in financial terms (both capital and revenue) to the Council of the scale of provision, should a facility be developed at the Leominster location. The Council's appointed project team for the facility, as proposed within the submitted Lottery bid, have maintained that reductions in size, as considered by Sport England may have only a marginal reduction in the capital build cost, but will have a highly significant impact on the revenue generation capacity of the future operation. This is a view that is strongly echoed by Halo.
7. In arriving at a decision as to the scale of the project the potential to attract revenue income should be assessed against any potential savings in capital costs arriving from building a smaller facility. The project as proposed was designed to a scale of provision acceptable to the local community.
8. The initial view from the Council's Property Service section would suggest that a reduction in the capacity of the pool tank to provide a water capacity of 20m x 8m might result in a 5% reduction in capital build costs. Further detailed work would need to be done to confirm this.
9. Given the uncharacteristically high level of usage afforded to the former Sydonia Pool, the following points need to be considered:
  - a) the pool fell well short of accepted technical specifications for the Amateur Swimming Association;
  - b) the quality of the building and its fabric was a known deterrent to use;
  - c) its capacity to accommodate swimming tuition for both public and educational use was severely constrained.
10. Despite these factors, the Sydonia Pool when open, operated as the most cost-effective pool in the County and ranked high in comparison with national best value

indicators for comparable provision elsewhere in the United Kingdom.

11. Should an alternative proposal involving consideration of either downsizing the existing scheme or adopting a completely new scheme in a different location, then all the assumptions behind this Report will need to be revisited.

## **Financial Implications**

12. The new Prudential Guidelines system for local authority capital expenditure could potentially give greater discretion for the Council to take decisions on the extent of borrowing undertaken to resource capital projects. Under the anticipated new system the key constraining factor will be the on-going revenue costs of financing the borrowing required to support that capital expenditure. In terms of any provision made within the annual revenue settlement to support such borrowing then such provision is likely to be led by government priorities for local authority capital spending. Schemes such as the swimming pool have not in the past been generously supported through block allocations. Furthermore there can be no guarantee that legislation required to introduce the new system would be in place in time for the next financial year. A delay until the 2005/06 financial year is therefore a distinct possibility.
13. The only other available sources of finance would be through the utilisation of reserves or Private Financing Initiative (PFI). The scale, nature and timescale of the project all militate against a successful PFI bid.
14. That leaves only the issue of reserves. Based on the last report to Council then the 'useable reserve' stands at approximately £5.5 million. It excludes that part of the usable LSVT receipt which was earmarked as part of the transfer process for future investment in housing. That element of the receipt stands at £10 million. From within the 'usable reserve' the Council has determined to maintain a 'minimum reserve' of £3 million (reduced to £2 million in the 2003/04 financial year with a clear commitment to replenish that 'minimum reserve' from the revenue budget in 2004/05). That leaves a balance of £3.5 million available for immediate application if the Council so determines. Clearly any call on that reserve would need to take account the priority of any other calls on reserves.
15. The figures in this paragraph are as reported last to Council. The County Treasurer has not undertaken a full update at this stage but confirmed that there are no pending calls of significance in the context of this report.
16. This paragraph does not analyse in detail those parts of the reserves which are restricted to applications for capital purposes because that is not likely to cause any difficulty in relation to what would be a capital scheme. The greater difficulty the Council will face is in utilising reserves for revenue purposes hence the commitment by Council as part of the 2003/04 to replenish the revenue reserve as part of the 2004/05 revenue budget consideration.

## **Alternative Options**

### **Alternative Option 1**

There are no options proposed within this report. However, the options for provision indicated within the Sport England report Swimming Facility Provision in Herefordshire (Runs 2-7) should be considered in advance of any decision relating to the scale and location of

any future provision.

## **Alternative Option 2**

Given the uncertainty described elsewhere within the Report, Cabinet may wish to review the proposal to continue to pursue the Lottery Funding route. However, it will need to be aware that any alternative sources of external funding (given that these were fully explored as part of the original Lottery application) are highly unlikely to be forthcoming. In this case it will need to be recognised that Council funding may be the only option.

## **Risk Management**

Given that the outcome of the study indicates that the case for a replacement swimming facility to meet the unmet demand in North Herefordshire is “not an overwhelming one”, any decision to resubmit an application to the National Lottery Sports Fund when it is relaunched is considered to be very high risk with low likelihood of success.

Further consideration should be given to the fact that when the availability of Lottery Funds is eventually announced, the allocation will be Regional and not National in nature. Original estimates indicated that for the entire West Midlands Region this would be less than £3 million to cover all programmes. (This indication was intimated prior to the proposal to further top slice the fund to resource a prospective Olympic Bid by London.) Given this scenario, there is considerable risk that there may be insufficient funds available in the Regional allocation to support a project of this size and nature, the case having been identified by Sport England as ‘not an overwhelming one’.

The County Treasurer advises that the potential delay in the introduction of the Prudential guidelines could result in a strain on the Council’s limited capital resources in 2004/05, with little scope to progress any further projects a possibility.

## **Consultees**

None beyond the original National Lottery Sports Fund bid submission of May 2003.

## **Background Papers**

1. National Lottery Sports Fund Application, May 2002.
2. Sport England Report - Swimming Facility Provision in Herefordshire, April 2003.
3. Statistics
  - a) throughput Sydonia Swimming Pool 1998 – 2002;
  - b) throughput Herefordshire Council Pools 2001 – 2003;
  - c) throughput East Radnor Leisure Centre 2001 – 2003 (Report awaited from Powys County Council);
  - d) throughput South Shropshire Leisure Centre 2001 – 2003;
  - e) throughput Tenbury Swimming Pool 2001 – 2003 (Report awaited from Malvern Hills District Council).
4. Leominster Housing Needs Survey – Leisure Issues  
Herefordshire Council Research Unit – January 2003.