

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

17 FEBRUARY 2017

**JOINT REPORT OF THE DEPUTY LEADER OF THE COUNCIL AND THE LEISURE,
WELL-BEING AND PARTNERSHIPS PORTFOLIO HOLDER**

A.4 BRIGHTLINGSEA SWIMMING POOL

(Report prepared by Paul Price)

PART 1 – KEY INFORMATION

1.1 PURPOSE OF THE REPORT
<p>To advise Cabinet of the proposal submitted by Brightlingsea Town Council (BTC) in respect of the future of Brightlingsea Swimming Pool (BSP).</p> <p>To consider the offer in light of the financial implications and to determine whether to accept the offer and the impact of such an acceptance.</p>

1.2 EXECUTIVE SUMMARY
<p>Following the decision made by Cabinet in June 2016 to accept an offer from BTC to undertake capital repairs to BSP and for TDC to cover the running costs of the pool for the shortened 2016 season, communication and discussions have been ongoing between BTC and TDC about the future of the pool.</p> <p>A deadline was originally set for the end of 2016 for a decision to be made as to whether BTC would take a long lease on the pool and maintain and operate the pool thereafter or for TDC to decommission the pool.</p> <p>Following a meeting in early 2017, at which BTC set out the actions it had taken to evaluate the feasibility for them operating the pool, a proposal has been submitted by BTC to part meet the cost of operating the pool for the 2017 season to allow BTC more time to complete their feasibility work.</p> <p>A provisional date has been set for a final decision on the future of the pool which will be shortly after the end of the 2017 season.</p> <p>In essence BTC agrees to offset 50% of the operating deficit, up to a maximum of £30,000, for the 2017 season in order for BTC to complete its Business Plan with an end date of September 2017 for a final decision to be made.</p>

1.3 RECOMMENDATION(S)

- a) That Cabinet considers whether it wishes to agree to the proposal set out by BTC, as listed in section 3 of this report;
- b) Subject to Cabinet agreeing to the proposal set out by BTC, Cabinet delegates authority to the Corporate Director (Operational Services) to manage the impact of the reduction in savings within existing budgets in consultation with the Head of Finance, Revenues and Benefits.
- c) Subject to Cabinet agreeing to the proposal set out by BTC, agrees that by the end of September 2017 arrangements are put in place to commence the transfer of the pool to BTC, the exact details of the transfer arrangements to be agreed by the Corporate Director, Corporate Services, or agrees that the pool is decommissioned and authorises the Corporate Director's, Corporate Services and Operational Services to commence the decommissioning process.

PART 2 – IMPLICATIONS OF THE DECISION

2.1 DELIVERING PRIORITIES

Due to the requirement to make significant savings, this decision impacts on the Council's key priority to balance the budget.

The service provided by the sports facilities positively assists the Council to promote healthier lifestyles and wellbeing and the pool is a tourist destination contributing to the tourist economy.

2.2 FINANCE, OTHER RESOURCES AND RISK

Finance

The financial position in respect of the pool was set out in the June Cabinet report with the average running deficit being around £60,000 per annum. The deficit in 2016 was much lower (c£24,000) as it had a much compressed opening period.

On the basis of the average deficit a figure of £60,000 has been included within the budget savings total for 2017/18 on the basis that the pool will not operate during 2017.

If the decision is taken to accept the offer from BTC the saving arising from BSP will be reduced, the size of the reduction will be determined by the operating deficit but is unlikely to exceed a reduction of £30,000. If the operating deficit is similar to the 2016 season the savings figure will be reduced by £12,000, taking into account the offer made by BTC.

Risk

If Cabinet agree to accept the offer it will have to find alternative savings to meet the shortfall in the savings total for 2017. However, it will provide more time for BTC to evaluate whether a viable business plan can be put together to save the pool from closure.

2.3 LEGAL

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the district.

'For the benefit of the district' includes economic, environmental and social considerations and is balanced against and must also take in account the Council's fiduciary duty and primary obligation to manage the Council's resources, its priorities and effect budget reductions for the sustainable future of the Council.

2.4 OTHER IMPLICATIONS

Ward

BSP is in Brightlingsea ward, although the swimming pool does have a much wider catchment which extends beyond the District.

Public Engagement

The Brightlingsea Ward Members have been consulted and Brightlingsea Town Council has been actively engaged in the ongoing discussions about the future of the pool.

PART 3 – SUPPORTING INFORMATION

3.1 BACKGROUND

Much of the background was set out in the report to Cabinet in June 2016 and so there is little value in repeating it here.

At the June meeting the Cabinet considered a proposal from BTC which agreed to BTC undertaking capital works to the pool and TDC operating the pool for the 2016 season on the basis that BTC would evaluate the options for it to take a lease on the BSP and run the pool in the future with no recourse to funding from TDC.

The Cabinet member for Leisure, Well-being and Partnerships and the Deputy Leader have met with representatives from BTC to consider their proposals for progressing the pool transfer or closure and have been favourably impressed with the progress that BTC has made in respect of putting together a viable business plan.

Specifically BTC is currently looking at grant based opportunities, mechanisms to reduce operating costs, management options for the pool, investigating options such as heating the pool utilising renewable heat sources to extend the season etc. but is not in a position at this point in time to put together a viable plan.

TDC has made it clear that given the current financial situation it cannot continue to financially support the ongoing deficit associated with operating the pool. However, it does not wish to see the pool close but the harsh economic reality is that a £60,000 per annum operating deficit cannot be sustained

The site has limited potential for other uses without significant capital input and whilst detailed calculations have not yet been undertaken it has been estimated that decommissioning costs could be recovered in less than one year.

In recognising the financial situation BTC has submitted a proposal to meet half of the operating deficit, up to a maximum of £30,000 for the 2017 season on the basis that this will provide sufficient time for a conclusion to be reached by BTC as to whether a viable plan can be put to TDC for BTC to take over the operation of the pool. If BTC is unable to produce a viable plan it acknowledges that TDC may have to decommission the pool, albeit that it would oppose such a move.

The proposal made by BTC is as follows:

1. *BTC agrees to make a contribution of 50% of any operating loss for the 2017 season, up to a maximum of £30,000;*
2. *In order to minimise losses and maximise revenues it is recommended that the official opening period of the pool is truncated and limited to eight weeks from the 15th July to the 9th September. This will allow the pool to be prepared and ready for the six week school holidays;*
3. *BTC will commit to developing a business plan and exploring options in respect of site improvements, grant aid funding, the use of renewable energy technology and community/trust involvement in the future management of the facility;*
4. *BTC will commit to providing a full report on all of its findings and proposals to TDC at a meeting to be held on 21st September (provisional date) at the Brightlingsea Parish Hall;*

4.0 BACKGROUND PAPERS FOR THE DECISION

None