

AGENDA ITEM 7**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****19TH MARCH 2015****UPDATE REPORT – THE FUTURE OF HAWTHORN SWIMMING POOL****REPORT OF THE GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES****Authors : Chris Bradshaw, Chris Lee and Colin Atyeo****1.0 PURPOSE OF REPORT**

1.1 The purpose of the report is to provide Cabinet with an updated position statement on the options available in respect of the future of Hawthorn Swimming Pool following: the structural survey undertaken at the Pool; and feedback from the initial engagement with Hawthorn High School regarding the potential transfer of the operation of the pool facility.

2.0 RECOMMENDATION

It is recommended that Cabinet:

2.1 Note the contents of the Report;

2.2 Instruct the Group Director, Corporate and Frontline Services and Director of Education & Lifelong Learning to have further detailed discussions with the Headteacher and Governing Body of Hawthorn High School to develop a Full Business Case on the transfer of the operation of the pool facility to the School. This Full Business Case will include the Council subsidising the cost of the Hawthorn Swimming Pool of up to a maximum of £60,000 per annum;

2.3 Agree to receive a report to Cabinet outlining the decision of the Governing Body of Hawthorn High School as to whether or not it will take operational responsibility for Hawthorn Swimming Pool.

2.3.1 If the Governing Body determines that they wish to accept the operational responsibilities of the Pool, agree that Council officers work with the Governing Body of Hawthorn High School to explore opportunities to establish a charitable organisation, under the auspices of the Governing Body, to operate Hawthorn Swimming Pool. In doing so, proactively seek external funding to develop the facilities in the future and reduce the operating costs. The Cabinet Report will also set out recommendations to include expenditure for the 2015/16 the capital programme;

2.3.2 If the Governing Body determines that they do not wish to accept operational responsibility of the Pool, agree that the report to Cabinet provides further options in respect of possible Council management or demolition.

3.0 **BACKGROUND**

3.1 Further to the Cabinet report of the Group Director Corporate Services dated 23rd September 2014, it was agreed that Cabinet would be presented with a further report following the outcome of initial discussions with Hawthorn High School on the potential transfer of the pool facility.

4.0 **OPTION IDENTIFICATION**

4.1 As a result of the structural report findings and the need to take urgent action, an initial list of five options to address issues found were identified and summarised in the table below:

	Option	Est Cost £k	Duration (weeks)
1	Repairs to Pool Hall roof only.	520	33
2	Repairs to Pool Hall Roof and remainder of Pool Building including the school external changing rooms.	770	41
3	Repairs to the Pool Hall Roof and remainder of 'whole' building (Pool and associated Changing facilities, School External Changing Rooms and adjoining Youth Centre).	1,275	49
4	Demolish the Swimming Pool building only, rebuild exposed elevation of Youth Centre building and construct new external changing rooms.	605	40
5	Demolish the Swimming Pool Building and Part of the Youth Centre to convert remaining structure into School External Changing Rooms. Retain Boiler House and relocate Youth Centre to space available within the adjacent school	710	50

4.2 The current boiler house serves the swimming pool and the School and all the options above consider the most appropriate approach to maintain this arrangement and minimise the costs and disruption of changing the associated pipework etc.

4.3 Option 2 is the preferred option as this provides the most sustainable long term approach for the School and the community.

- 4.4 Hawthorn High School's indoor sports facilities are very poor and limit the PE curriculum offer. In the most recent Estyn Inspection, Estyn reported that "Outdoor sports areas are good, but the small sports hall is not an appropriate indoor facility for a modern secondary school". The inspection was undertaken after the temporary closure of the swimming pool. Furthermore, the changing rooms are in need of refurbishment and repair, particularly when most of the activities have to be undertaken outside due to the size of the sports hall.
- 4.5 The proposed improvements to the School's sports facilities will provide significant educational benefits and therefore should be funded from within the existing Education Capital Programme. Given the expectations from Estyn that the indoor sports facilities improve, the Education Department would have prioritised an investment in the School facilities to begin to address the issues raised, irrespective of the decision on the future of the Swimming Pool. Therefore, from the perspective of the Education Department, if option 4 or 5 was the Council's preferred option, ie demolition of the facility, an additional sum may subsequently be required to fund alternative investment in sports facilities at the school.
- 4.6 If Members decided to proceed with Option 2 it is proposed that the funding would be secured from within existing resources as follows:

	£'000
Funded by Prudential Borrowing secured from £40,000 of revenue funding over 20 years	520
The improvements to the facilities, funded from within the existing Education Capital Programme	250
Total cost	770

5.0 REVENUE FUNDING

- 5.1 There are very few swimming pools across the UK that operate without a financial subsidy and Hawthorn Swimming Pool is no different. If Hawthorn High School Governing Body was to take responsibility for the operation of Hawthorn Swimming Pool and provide community usage, the Council would be obliged to provide a sufficient level of subsidy to ensure that the swimming pool is not funded from school budgets allocated to providing a statutory education.
- 5.2 Council Leisure Service and Corporate Finance managers have prepared an Outline Business that identifies the level of subsidy required for the School to operate the swimming pool facility. **It should be stressed that at this stage no discussions have taken place with the School in respect of the levels of subsidy or hours of operation of the Swimming Pool identified in the Outline Business Case**
- 5.3 The Outline Business Case considered the following factors
- Facility opening times;
 - Appropriate balance between school and community use;
 - Availability of the facility to support the school swimming development programme;
 - Revised management arrangements;
 - Staffing structures/levels required at the facility;

- Activities offered by the revised operational model;
- Income levels achievable through the revised operational model.

5.4 In calculating the required level of subsidy the following assumptions have been made:

- The Pool would operate on the same basis as the Leisure Service satellite centres with the facilities being available to the School during term time of 27.5 hours per week and 43 hours per week for community usage. The Community usage is 10 hours per week lower than when the Pool was previously open. However, the opportunity exists for the School to increase community usage and generate greater levels of income;
- There will be no transfer of staff to the School and as such the school will need to appoint its own staff (employee rates of pay will be consistent with the Council's terms and conditions of employment);
- The level of income generated is based on previous usage levels, subject to the change in opening hours.

5.5 The current net revenue budget for Hawthorn Swimming Pool is £148k.

5.6 The outline business case identified that the School requires a total subsidy in the region of £50k to £60k to manage the Swimming Pool at nil cost to the School. Given the initial start up costs and the need for the School to generate sufficient community usage and income from a standstill position, the level of subsidy for the School is recommended to be a maximum of £60,000 with an annual review (based on the current governance arrangements – see para 5.11 below).

5.7 It is also recommended that if additional income is generated over and above the level assumed in the subsidy calculations that the benefit of doing so is shared between the Council and the School. If the level of subsidy is insufficient in the future to operate the swimming pool, the future of the Pool would be reconsidered and a report presented to a future Cabinet.

5.8 The cost to the Council of the proposed transfer to the School is as follows:

	£'000
Current Budget Subsidy to operate Hawthorn Swimming Pool	148
Less Subsidy required for the School to operate the pool	(60)
Revenue Savings for the Council	88

5.9 These savings are in addition to the £1.1M savings identified as part of the service change proposal for the Authorities leisure centres. Revenue savings (£43k) in respect of Hawthorn Pool have already been realised as part of the £1.1M in that it assumed that the pool would become a "satellite centre" and that the arrangements implemented across other centres (eg rota reviews) would similarly be applied to Hawthorn Pool.

5.10 In order to fund the balance of the core works, one option available would be the use of prudential code which would require revenue funding of £40k to be identified.

- 5.11 Further work with the school is also required regarding the governance arrangements for the facility (e.g. charitable trust status) as this may generate further savings and provide access to grant funding not currently available to the Council. It is recommended that priority is given to this during the period of the works in order to maximise further the revenue savings opportunities and future capital improvements.

6.0 SCHOOL ENGAGEMENT

- 6.1 This report has summarised the outcomes of the structural survey at the pool and the options available for Cabinet to consider.
- 6.2 Initial dialogue with the Headteacher of Hawthorn High School has been in respect of the School's appetite to take responsibility for the Swimming Pool. The School currently has limited indoor sports facilities of its own and the transfer is an option that the School would be very interested in exploring further for the benefit of the school and the local community.
- 6.3 The dialogue did not go into the details of a robust business case but the School was clear in its stance that due to its current financial position (the School has a deficit budget) they would require the building to be brought back into use and will require a contribution from the Authority as part of any transfer agreement.
- 6.4 Clearly further dialogue with the School, if Members agree with the option presented in this report, will need to take place quickly and over a short timeframe to produce a robust business case demonstrating the benefits to the School and the local community.
- 6.5 It is recommended that if Hawthorn High School Governing Body decides not to accept operational responsibility for the Swimming Pool a further report on the future of the Pool should come back to Cabinet as soon as possible.

7.0 SUMMARY

- 7.1 Hawthorn Swimming Pool has been out of operation for a year and if the facility is to be retained for the School and the local community the Council needs to take action before the Pool falls into a state of disrepair.
- 7.2 This report seeks to make a significant investment of £770,000 in Hawthorn Swimming Pool and to transfer the day to day operation of the Pool to Hawthorn High School with an annual subsidy of a maximum of £60,000 per annum and still generate revenue savings to the Council of £88,000 per annum less the revenue costs associated with funding the core pool repair works

