

**AGENDA ITEM 5****RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****22nd OCTOBER 2015****HAWTHORN HIGH SCHOOL – SWIMMING POOL TRANSFER****JOINT REPORT OF THE CHIEF EXECUTIVE AND GROUP DIRECTOR CORPORATE AND FRONTLINE SERVICES****Author: Colin Atyeo - Director of Corporate Estates (01443 744555)****1. PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to provide Cabinet with the outcome of further detailed discussions with the Head Teacher and Governing Body of Hawthorn High School in respect of the transfer of the Hawthorn Swimming Pool facility to the school.

**2. RECOMMENDATION**

It is recommended that Cabinet:

- 2.1 Agree to transfer operational responsibility of the Hawthorn Swimming Pool and associated facilities to the Governing Body of Hawthorn High School.
- 2.2 Agree to carry out repairs to the pool hall roof, remainder of the pool building and school external changing rooms.
- 2.3 Agree to fund the cost of works through a combination of existing resources and Prudential Borrowing, in accordance with the decision of Cabinet at its meeting held on the 19<sup>th</sup> March 2015, subject to the approval of Full Council.

**3. BACKGROUND**

- 3.1 On 19th March 2015, Cabinet decided:
- To instruct the Group Director, Corporate and Frontline Services and Director, Education and Lifelong Learning to have further detailed discussions with the Head Teacher 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.
  - To receive a further 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.
    - 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 the 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. This Cabinet

report will also set out recommendations to include expenditure for the 2015/16 Capital Programme;

- 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.

3.2 The Council has received confirmation from the Governing Body of Hawthorn High School that they are fully committed to managing the refurbished pool complex, both for the benefit of the school pupils and the community (as far as economics will allow). Consequently, the Chair of Governors is prepared to enter into a final agreement with the Council to this effect.

#### 4. PROPERTY REFURBISHMENT

4.1 A detailed option appraisal identified 5 potential options to refurbish or redevelop the pool hall and associated facilities.

4.2 The preferred option was to repair the pool hall roof, refurbish the remainder of the pool building along with the school's external changing rooms.

4.3 The budget for the project was estimated at £770,000 and tenders were invited from suitably qualified contractors. We are pleased to report that the tender costs, including all fees is within the estimated costs of £770,000. Subject to Cabinet approval to proceed, it is anticipated that the works could commence by December 2015 and will be completed by June 2016.

4.4 The funding available to support these works was set out in the Cabinet Report in March and these are summarised in the table below:

	<b>£,000</b>
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
<b>Total cost</b>	<b>770</b>

#### 5. REVENUE SUPPORT

5.1 There are very few swimming pools across the UK that operate without a financial subsidy and Hawthorn Swimming Pool is no different. Hawthorn High School Governing Body has committed to taking responsibility for the operation of Hawthorn Swimming Pool and providing community usage. As set out in the previous Cabinet report, the Council will commit to providing 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 In calculating the maximum 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.

5.3 The current net revenue budget for Hawthorn Swimming Pool is £148,000.

5.4 The business case identified that the School requires a total subsidy in the region of £50,000 to £60,000 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 paragraph 5.7 below). We also recognise that it may take a while for the community usage to return to previous levels at Hawthorn Pool, and that the community opening hours in the first six months will need to match the local demand from users and community groups.

5.5 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.

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

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

5.7 Over the next few years, further work with the school is also required to explore community 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

## **6. SUMMARY**

6.1 Hawthorn Swimming Pool has been out of operation for approximately 18 months 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.

6.2 This report seeks to make a significant investment of £770,000 in Hawthorn Swimming Pool and then to transfer the day to day operation of the Pool to the Governing Body of 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.

6.3 An Equalities Impact Screening Assessment has been undertaken and has indicated that there will be no negative impact against any protected groups as defined within the Equality Act 2010.

