

You are requested to attend a meeting of the Executive to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 15 May 2013 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meeting of the Executive held on 13 March 2013 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct.
- 5 Proposal to build a Swimming Pool at Blackbrook Pavilion Sports Centre, Blackbrook Way, Taunton. Report of the Community Leisure Manager (attached). Also see the Confidential Appendices C, D and E at Agenda Item No. 7.

Reporting Officer: Alison North
- 6 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

The following items are likely to be considered after the exclusion of the press and public because of the likelihood that exempt information would otherwise be disclosed relating to the Clause set out below of Schedule 12A of the Local Government Act 1972.

- 7 Confidential Appendices C, D and E in connection with the proposal to build a Swimming Pool at Blackbrook Pavilion Sports Centre, Blackbrook Way, Taunton (attached). See also Agenda Item No. 5.

Tonya Meers
Legal and Democratic Services Manager

26 June 2013

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under “Public Question Time” is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

If a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council’s Planning Committee and details of the “rules” which apply at these meetings can be found in the leaflet “Having Your Say on Planning Applications”. A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

Full Council, Executive, Committees and Task and Finish Review agendas, reports and minutes are available on our website: www.tauntondeane.gov.uk



Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.

For further information about the meeting, please contact the Corporate Support Unit on 01823 356414 or email r.bryant@tauntondeane.gov.uk

Executive Members:-

Councillor J Warmington (Community Leadership)

Councillor J Williams - Leader of the Council (Leader of the Council)

Councillor V Stock-Williams (Portfolio Holder - Corporate Resources)

Councillor N Cavill (Portfolio Holder - Economic Development, Asset Management, Arts and Tourism)

Councillor K Hayward (Portfolio Holder - Environmental Services)

Councillor J Adkins (Portfolio Holder - Housing Services)

Councillor M Edwards (Portfolio Holder - Planning and Transportation/Communications)

Councillor C Herbert (Portfolio Holder - Sports, Parks and Leisure)

Executive – 13 March 2013

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Cavill, Mrs Herbert, Hayward, Mrs Stock-Williams
and Mrs Warmington

Officers: Shirlene Adam (Strategic Director), Paul Harding (Performance and Client Lead), Dan Webb (Performance Lead), Tracey Healy (Principal Accountant), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager and Corporate Support Lead)

Also present: Councillors Horsley and A Wedderkopp.

(The meeting commenced at 6.15 pm.)

18. Apology

Councillor Edwards.

19. Minutes

The minutes of the meeting of the Executive held on 6 February 2013, copies of which had been circulated, were taken as read and were signed.

20. Accounts Receivable – Write-offs

Considered report previously circulated, which sought approval for the write-off of a number of irrecoverable sundry debts which had an individual value greater than £10,000.

Sundry debtors' invoices were raised by a number of sections within the Council and were used to collect income for a variety of Council services.

In accordance with good financial management principles the Council had made a provision for bad debts. This provision recognised that a proportion of the authority's debts would prove irrecoverable due to circumstances such as being unable to trace the debtor, debtor insolvency or where debtor had died with an insufficient estate.

The Council's Financial Regulations required that irrecoverable sundry debts, with an individual value of over £10,000 must be submitted to the Executive for approval.

Although any debt that was written off could subsequently be re-raised should circumstances change, it had been concluded that there was no further practicable recovery action available to the Council for the recovery of the four outstanding debts totalling £81,217.14 referred to in the report.

In the circumstances, the debts had been identified as irrecoverable and were recommended for write-off.

Further reported that this issue had also been considered by the Corporate Scrutiny Committee at its meeting on 21 February 2013. Members had raised a number of particular points which were set out in the report together with appropriate responses for the information of the Executive.

Resolved that the four sundry debt accounts with a combined value of £81,217.14, as detailed in the report, be written-off.

21. **Use of Housing and Planning Delivery Grant to provide a staffing resource to support the implementation of the Community Infrastructure Levy**

Considered report previously circulated, concerning the proposed provision of a staffing resource to support the implementation of the Community Infrastructure Levy (CIL).

The Council needed to introduce the CIL if it was to maximise opportunities to fund the strategic infrastructure necessary to support Taunton Deane's growth in the years ahead.

The draft charging schedule was currently being consulted upon and it was hoped to introduce the levy from September 2013.

The introduction of CIL would bring with it a range of tasks which would need additional resource to administer the levy.

It was therefore proposed to appoint a Community Infrastructure Levy Officer to administer the CIL process, including calculation, billing, collection and monitoring. Although the post would need to be evaluated, the indicative grade would be F (£22,958 - £26,276) which equated to £29,200 with on costs for 2013/2014 at the bottom of the scale.

Further reported that the CIL Regulations allowed the charging authority to top-slice five percent of the levy for administration. Therefore, the full cost of this post would ultimately be funded through CIL.

However, whilst it would take some time to generate the necessary income, the need for the post would be generated from implementation and it was therefore suggested that Housing and Planning Delivery Grant (HPDG) money was used to fund the post for a two year period.

The proposal was considered by the Corporate Scrutiny Committee on 21 February 2013 and issues raised around the benefits of a fixed term contract would be considered in relation to the recruitment of this post and any backfill arrangements.

Resolved that the allocation of £58,400 from the Housing and Planning Delivery Grant Earmarked Reserve be approved, to fund the Community Infrastructure Levy Officer post for two years.

22. **Financial and Performance Monitoring – Quarter 3 2012/2013**

Considered report previously circulated, concerning the update on the financial position and the performance of the Council to the end of Quarter 3 of 2012/2013 (as at 31 December 2012).

The detailed 2012/2013 financial position for Quarter 3 was set out in the report although a high level summary was also included in the Scorecard. The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets was an important part of the overall performance management framework.

The current forecast outturn for the Council's General Fund services was an under spend of £346,000 for the financial year 2012/2013. The significant variances to the forecast in this quarter were:-

- a) **Car Parking Income:** Under recovery of income of £470,000;
- b) **Deane DLO:** A potential shortfall of £101,000;
- c) **Council Tax Benefit:** Over recovery by £68,000;
- d) **Housing Benefit Subsidy:** A subsidy gain of £317,000;
- e) **Somerset Waste Partnership:** Under spend of £107,000.
- f) **Vacancy Factor and Pay Award:** A saving of £24,000;
- g) **Interest Payable:** In Quarter 2 an under spend of £226,000 was forecast. However this budget had been transferred to provide part of the funding for the new Business Growth Incentive Grant scheme;
- h) **Interest Receivable:** The forecast surplus from interest income had reduced £185,000. This reflected a transfer of £74,000 to the Business Growth Incentive Grant scheme.

Details as to why these variances had occurred were submitted.

Reported that the General Fund Reserves balance at the start of the year was £3,337,000. Following approved budget allocations during 2012/2013 the budgeted balance at the end of the current financial year was £3,138,000.

If the current trend continued on all the budgets above and the Council took no further corrective action in the year, the potential under spend of £346,000 would be transferred to this reserve, increasing the potential balance to £3,484,000 by the end of the financial year.

Noted that budgets and forecasts were based on known information and the best estimates of future spending and income of the Council. The income and expenditure of the Council over the financial year was estimated by the budget holders in the Council and then reported through the budget monitoring process. During this process, risks were identified which could affect the financial projections but the likelihood and/or amount were uncertain. Details of a number of risks identified during the Quarter 3 process were provided.

Further reported that the current forecast outturn for the Council's Housing Revenue Account (HRA) was an under spend of £43,000 for the current financial year. Details of the forecast variances were submitted.

As advised to Members in previous Financial Performance reports, there were significant differences between the budgets and forecasts for interest payable and interest income, resulting largely from the better than budgeted interest costs associated with the Self-financing Settlement debt taken out in March 2012. A net surplus of £818,000 continued to be forecast and it was recommended that this sum be transferred to the Social Housing Development Fund, to contribute to the financing of housing development projects.

The HRA Reserves "working balance" at the start of the year was £1,355,000. Following approved budget allocations during 2012/2013 the budgeted balance at the end of the current financial year was £1,883,000. With the above under spend the reserves had the potential to increase to £1,926,000 by the end of the financial year. This would provide a relatively modest headroom above the recommended minimum working balance of £1,800,000 as set out in the HRA Business Plan.

The Earmarked Reserves balance at the start of the year was £7,071,000. This included £6,597,000 for General Fund and £475,000 for the HRA.

The forecast year end outturn position had changed this quarter, from a surplus in Quarter 2 to a deficit in Quarter 3. The DLO Manager was currently reporting a potential under-recovery against budget of £101,000, based on a best estimate at this stage.

Noted that there were no variances to the Deane Helpline Trading Account to report.

The current forecast outturn for the Council's General Fund Capital Programme was Net Expenditure of £5,200,000, compared to the budget of £7,424,000. The forecast under spend is therefore £2,224,000 (30%) for the financial year. Of this amount, £2,176,000 related to slippage on projects into 2013/2014, with an under spend on project budgets of £48,000.

Explanations for variances were provided in respect of the following capital projects. Recommendations to carry forward the budgets of certain projects were also set out below:-

- a) Climate Change Initiatives – It was recommended that £40,000 of this budget be carried forward;
- b) PC Refresh Project - It was recommended that £15,000 of this budget be carried forward;
- c) ICT Infrastructure Maintenance - It was recommended that the £35,000 budget be carried forward;
- d) Members IT Equipment;
- e) DLO System;
- f) Project Taunton – Longrun Meadow Bridge C;
- g) Project Taunton – Firepool;
- h) Project Taunton – Castle Green;
- i) Project Taunton – Urban Growth;

- j) Project Taunton – Coal Orchard - It was recommended that the £10,000 budget be carried forward;
- k) Crematorium Mercury Abatement;
- l) Waste Containers;
- m) Grants to Registered Social Landlords – It was recommended that the £414,000 budget be carried forward;
- n) Landlord Accreditation Scheme;
- o) Disabled Facilities Grants – Private Sector;
- p) Acolaid Upgrade;
- q) Paul Street (Orchard) Car Park, Taunton; and
- r) Wellington Pavilion.




Noted that Budget Carry Forwards totalling £514,000 on the General Fund programme had been recommended.

The current forecast outturn for the Council's Housing Revenue Account Capital Programme was net expenditure of £4,958,000 against a budget of £5,500,000. The forecast under spend was therefore £542,000.

An explanation for the reported variances in the capital programme were reported and budget virements totalling £1,425,000 were identified.

The main areas of risk and uncertainty in the Housing Revenue Account Capital Programme were detailed in the report and related to Kitchens, Bathrooms, Windows, Heating, Doors, Fire Safety Works in Communal Areas, Cladding, Fascias and Soffits, Air Source Heat Pumps, Door Entry Systems, Soundproofing, Disability Discrimination Act Work, Asbestos Work, Tenant Improvements and Community Alarms.

Analysis of the overall performance of the Council had revealed that 63% of all performance measures were on target. This was a similar position compared to the previous quarter (Quarter 2 was 60%) even though there was a slight increase in 'Red' alerts (six this quarter compared to three at Quarter 2). A summary / overview of the Quarter 3 scorecard was shown in the table below:-

Section	No. of measures	 Green	 Amber	 Red	N/A	Trend (from last quarter)
1) Corporate Strategy Aims	18	13 (72%)	4 (22%)		1 (6%)	↔
2) Service Delivery	15	11 (73%)	2 (13%)	2 (13%)		↑
3) Managing Finances	12	7 (58%)	2 (17%)	3 (25%)		↔
4) Key Projects	7	5 (71%)	2 (29%)			↑
5) Key Partnerships	8	4 (50%)	2 (25%)	1 (12%)	1 (12%)	↓
6) People	6	2 (33%)	3 (50%)		1 (17%)	↔

7) Corporate Management	10	6 (60%)	4 (40%)			↑
TOTALS	76	48 (63%)	19 (25%)	6 (8%)	3 (4%)	↔

KEY:

- ↑ = Improving (ie more Green, less Amber &/or Red alerts)
- ↓ = Worsening (ie less Green, more Amber &/or Red)
- ↔ = No change

The current corporate performance scorecard had been introduced in 2009/2010 and had remained largely unchanged since then. Now that the new Corporate Business Plan had been approved, the Corporate Management Team would conduct a full review of the scorecard and recommended changes would then be discussed with Members in workshops early in Quarter 1 (2013/2014).

The performance report had been considered by the Corporate Scrutiny Committee at its meeting on 21 February 2013 and its comments were reported for the information of the Executive.

During the discussion of this item reference was made to the Key Projects listed in Section 4 of the scorecard. Members enquired when reports on some of these projects, particularly Flood Alleviation Solutions, were likely to come forward.

The Chairman asked that this matter be referred back with the request that the items are added to the Forward Plan of both Scrutiny and the Executive at the earliest opportunity.

Resolved that:-

- (1) The report be noted;
- (2) The proposed budget virements set out in the Appendix to these minutes be noted and supported;
- (3) Full Council be recommended to approve the following carry forwards:-
 - (i) Climate Change Initiatives – £40,000;
 - (ii) PC Refresh Project – £15,000;
 - (iii) ICT Infrastructure Maintenance – £35,000;
 - (iv) Project Taunton – Coal Orchard – £10,000; and
 - (v) Grants to Registered Social Landlords – £414,000.

23. Executive Forward Plan

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 7.01 pm.)

BUDGET VIREMENTS FOR APPROVAL

APPENDIX

#	Amount £	Fund	From	To	Explanation
			Heading	Heading	
1	60,000	GF	Legal Services	Earmarked Reserves	Transfer savings in Legal Services to Earmarked Reserves, to fund fixed term staff costs and court costs in 2013/14 to pursue recoverable outstanding debts.
2	110,000	HRA	Interest Payable	Interest Receivable	Allocated surplus interest savings to offset shortfall in interest receivable budget.
3	818,000	HRA	Interest Payable & Receivable	Social Housing Development Fund	Allocate surplus interest savings to the Social Housing Development Fund to provide additional resources to finance housing development projects.
988,000		Total Revenue Budget Virements			

#	Amount £	Fund	From	To	Explanation
			Service / Heading	Service / Heading	
1	180,000	HRA		Kitchens	See HRA Capital Programme Variances section in the main body of the report for further details. The transfers reflect the current estimates of individual elements within the overall programme of capital maintenance and improvement works. Allocate surplus interest savings to the Social Housing Development Fund to provide additional resources to finance housing development projects.
2	220,000	HRA		Bathrooms	
3	250,000	HRA		Windows	
4	120,000	HRA		Doors	
5	25,000	HRA		Fire Safety Works in Communal Areas	
6	375,000	HRA		Air Source Heat Pumps	
7	75,000	HRA		Door Entry Systems	
8	20,000	HRA		DDA Works	
9	135,000	HRA		Asbestos removal	
10	25,000	HRA		Community Alarms	
1,425,000		Sub-total – Capital Virements			
11	620,000	HRA	Heating Systems		
12	500,000	HRA	Cladding		
13	285,000	HRA	Fascias and Soffits		
14	18,000	HRA	Soundproofing		
15	2,000	HRA	Tenants Improvements		
1,425,000		Sub-total – Capital Virements			

Taunton Deane Borough Council

Executive – 15 May 2013

Proposal to build a Swimming Pool at Blackbrook Pavilion Sports Centre, Blackbrook Way, Taunton

Report of Alison North, Community Leisure Manager

(This matter is the responsibility of Executive Councillor Catherine Herbert)

1 Executive Summary

- 1.1 This report updates the position from the August 2012 report and September 2012 Supplementary Report to Corporate Scrutiny. As a result, work has been undertaken with support from our Operators, Tone Leisure to provide a detailed business case for Councillors to consider the options on the future of swimming pool provision.
- 1.2 If Council approves a new pool then this report will form a series of further reports as the Council proceeds through the Procurement process.
- 1.3 Expertise has been commissioned to provide cost confidence for the construction of a new Pool.
- 1.4 Independent expertise has been commissioned to provide detailed business case support and verification of the modelling.
- 1.5 Independent legal expertise has been commissioned to provide advice on Procurement options and Lease implications.
- 1.6 This report will bring together the external advice underpinned by extensive work undertaken by the previous Project Lead and Project Manager to provide Councillors with the relevant information to consider the following three questions:
 1. Does the Council wish to pursue the provision of a new Swimming Pool facility?
 2. Does the Council wish to pursue the option of a Spa facility to support the Business Case?
 3. Is the chosen option affordable and does the Council agree to the finance route?
- 1.7 If the project is to proceed, this report outlines next steps, project costs and key milestones that Councillors will be asked to consider as the project progresses.

2 Background

2.1 Following recommendations from the Swimming Task & Finish Review (established February 2010) in July 2011, extensive research and work has been completed by Officers and our Operator to set out options and proposals to Councillors to build a new swimming pool in Taunton and refurbish an existing pool (Station Road) in Taunton. The research and options have been presented in previous Corporate Scrutiny reports of March 2012, August 2012 and September 2012. A separate report with regard to Station Road Refurbishment was brought to Corporate Scrutiny in November 2012, following opportunity for the Council to bid for Sport England funding.

2.2 Below is a brief summary of the key issues identified and project drivers that have been reviewed in depth in the previous reports.

2.3 Sport England in 2009 undertook modelling work for future use and provision of pools in Taunton. This identified Taunton was only just meeting current demand and would not meet future demand. In 2010 a Task and Finish review group was set up and concluded:

- St James Street is nearing the end of its life
- The Council is unprepared financially for an unplanned closure and lacked any contingency or long term plan for St James Street
- Without taking action, Taunton would not be able to offer swimming facilities for schools and clubs unless public swimming time was reduced at Station Road Pool
- Station Road Pool, as an aging 1970's pool, was in need of large Capital Investment
- A business case for a pool at Blackbrook should be developed
- Station Road Pool should be refurbished as soon as possible to support the transition of the closure of St James until any new pool was built

2.4 In April 2012 following consideration of a comprehensive report, the Executive identified some principle propositions:

- Three outline procurement models for funding and delivering a new pool
- The potential of new associated commercial income generating facilities
- The need for major capital spend on Station Road Pool
- The closure of St James Street

3 Project Activities

3.1 Since September 2012 the Project Team have been working with our Operator on project objectives as follows:

- Produce a detailed business case for the provision of a new Swimming Pool Facility at the agreed site of Blackbrook with the decommissioning of St James Street Pool. Including how this can be funded and procured.

- Suitable renovation of Station Road Pool to increase the life of the facility by 15–20 years
- Optimisation of swimming activities for the Community now and in the future

3.2 To support Officers with the detailed business case expertise has been commissioned by TDBC, an executive summary is attached in Appendix A for Councillors information.

4 Station Road Refurbishment

4.1 As reported to Corporate Scrutiny in November 2012, the Council has had an exciting opportunity to bid for some funding from Sport England of up to £500,000 for the refurbishment of changing rooms. This funding is conditional on matched funding from the Council.

4.2 In December 2012 Full Council approved the use of £770,000 from unallocated capital receipts to put forward as part of the bid application.

4.3 Working with our Operator an application was submitted to Sport England on the 18th January 2013 and on the 3rd April 2013 it was announced that the Council has been successful in its application for £497,802 of funding.

4.4 The scope of the refurbishment will consist of:

- Pool Side
- Changing Facilities
- Reception
- Pool Plant Equipment

4.5 These works will provide the pool with 15-20 years extra life.

4.6 Work has begun on the detailed design and procurement with an anticipated start time of October/November 2013. Councillors will be updated on the project as it progresses.

4.7 It should be understood by Councillors that one of the criteria that our application had to meet was an increase in participation figures. Our application was made with an inclusion of the whole pools project scheme of the closure of St James Street and the opening of a new pool. If we do not proceed then swimming participation figures would be lower. Sport England has said they would need to work closely with us to manage this. Therefore there is small risk that Sport England may wish to claim some of their funding back. However this has been confirmed as unlikely as Sport England would rather work with us and ensure that the investment in Station Road Pool is protected.

5 Options to replace St James Pool

- 5.1 As per previous reports to Councillors, St James Street is an Edwardian Pool reaching the end of its life as an adequate Swimming Pool provision. In order for the pool to remain operational and meet modern day standards a significant amount of spend would be required to rebuild the pool/building. In economic terms this would not make sense.
- 5.2 A condition survey has shown that building is starting to show signs of age. The considerable levels of condensation from both the main and learner pool is having a detrimental affect on the rest of the fabric of the building. The issue of condensation generated from the pools is a complex situation and any scheme or improvement to deal with this to ensure another 20–25 years life of the pool would be extensive and costly. From a suitability point of view the report comments that the building no longer meets the requirements of a teaching pool and considerable investment is required to bring it up to a suitable standard.
- 5.3 The Pool was built in 1929 and the design does not meet modern day requirements and is not fully compliant with existing Building Regulations. The Access Audit report has identified a number of fundamental issues with regard to access to the building, corridor and internal door layout also means poor accessibility. Lighting, acoustics, alarms and switches are also all old and outdated. The building also has a double entrance which does not meet modern day safeguarding requirements for children and young people. Best practice is to have a single point of entry to ensure staff can control and monitor who is entering the building.
- 5.4 Now that the detailed business case work has been completed (up to the date of this report being published) there are three questions for Councillors to consider from this report:
- Based on the findings does the Council wish to proceed with the build of a new swimming pool?
 - Does the Council wish to support the business case with an extra income generating activity of a Spa?
 - Is the chosen option affordable and does the Council agree to the finance option?
- 5.5 The production of the Business Case has been a detailed and complex process. To help Councillors in their consideration of the above questions the options and findings have been summarised below. The detail behind these summaries is attached as a confidential appendix E for Councillors information.
- 5.6 The business case has been modelled on four options to provide a detailed evaluation. These were shortlisted from a list which included no investment in Station Road for refurbishment and the closure of St James Street with no future plan. It was concluded that, through the task & finish work, and

previous research doing nothing was not an option for either of these pools.

5.7 The four options modelled are as follows:

4a	St James Street Pool is closed leaving Station Road Pool (including £1.27m refurbishment) and no new pool at Blackbrook site
4b	St James Street Pool is closed leaving Station Road Pool (including £1.27m refurbishment) and a boom (additional cost £200k) is included and no new pool at Blackbrook site
5	St James Street Pool is closed leaving Station Road Pool (including £1.27m refurbishment) and new pool at Blackbrook site
6	St James Street Pool is closed leaving Station Road Pool (including £1.27m refurbishment) and a new pool and Spa facility at the Blackbrook site

5.8 These options were modelled covering capital costs, operating income and expenditure, building life cycle costs and the potential loss of income claims for Station Road and St James Street.

5.9 For Councillors understanding, a Boom as per option 4b would in effect make Station Road Pool a 25 metre length and allow a narrow (6 metre) teaching pool. The boom is simply a new end wall, 2 metres in width. The boom would create a teaching pool to help retain some schools and swimming lessons however the size of the learner pool that the boom would create would still be restrictive not allowing significant capacity for lessons.

5.10 The costed design for a potential pool would provide a facility that meets modern day standards operationally and providing a greatly enhanced customer experience.

5.11 The capital cost for this is estimated at £4.4m. For information, Sport England's data base of nationwide schemes provides a figure of £4.7m capital cost for a pool and learner pool of this size.

5.12 If Councillors do wish to proceed with a new pool facility there is opportunity to support the business case further with an income generating facility a Spa. The total Capital Cost including a Spa would be is estimated at £5.4 million.

5.13 It is important for Councillors to understand that the current proposal within this report will replace existing water space not increase the amount of available water space. If a new Pool is not built and St James Street is decommissioned this will leave the Council with one pool to service the community. Presently St James Street Pool accommodates all of the swimming lessons and club sessions. If these had to be transferred to Station Road Pool then there would be a significant impact on the available public swimming for members of the public as demonstrated in the table below:

Table 1 – Analysis of Swimming Provision by Type

	Public Swimming	Swim Lessons	Clubs/Schools/Orgs
Current Provision (St James Street & Station Road)	96 hours a week	1640 lesson places per week	68 hours a week
Merged Programme (Station Road only)	49 hours a week	740 lesson places per week	38 hours per week
With New Pool (Station Road & Blackbrook)	127 hours per week	1800 lesson places per week	68+ hours per week

5.14 The design would provide the following facility:

- 25m x 6 lane swimming pool
- 25 pool side spectator seats
- 8 x 12m learner pool
- Changing village
- Viewing area
- Café/kitchen
- Receptions and entrance arrangement
- Building plant
- Office accommodation
- Storage
- First aid room
- WC accommodation
- Parking – 57 spaces and 7 blue badge holder spaces

5.15 The project commissioned independent research of current users and the wider community to gauge attitudes towards a Spa proposal. The research was conducted by face to face interviews and an online survey. The research sample was taken from 143 existing users and 300 people from the local community.

5.16 The key findings can be summarised as below and the full survey results are attached in an appendix B for information.

Non user/Community

- Blackbrook Pavilion is the leisure facility with the widest awareness in the community
- 47% would very likely use a Spa
- Most popular choices of Spa facilities people would like to see were heat treatment, steam rooms, hydro therapy pool and treatment rooms

Existing Users

- 46% would very likely use a Spa
- 56% would definitely use a Spa at Blackbrook
- Most popular choices of Spa facilities people would like to see were heat treatment, steam rooms, hydro therapy pool and treatment rooms

Funding

- 5.17 A range of funding mechanisms have been considered by the Project Team, including potential access to external finance through delivery by a developer, through to a more traditional use of the Council's own capital resources and prudential borrowing.
- 5.18 The funding options are closely linked to the Procurement Strategy – see next section. Based on the proposed approach being put forward for Councillors' consideration in this report, the Business Case has been prepared on the basis of using a combination of revenue resources (earmarked reserves and general reserves), capital receipts, and prudential borrowing.
- 5.19 Councillors could suggest an alternative mix of funding, e.g. fully fund through borrowing, but this will have an impact on the affordability that has been set out in the business case. Funding and affordability information is summarised in section 7 later in this report.

6 Legal Issues

Procurement Advice

- 6.1 In previous reports it was envisaged that Tone Leisure would be able to procure any contracts if this project was given the go ahead. However what has become clear is that the Council would be underwriting the contracts and therefore the Council would be inextricably linked to the procurement of any new facility.
- 6.2 Case Law states that as a contracting authority, the Council must comply with European legislation if the relevant thresholds are met. The estimates provided in the business case suggest that those thresholds would be met.
- 6.3 In the event that the thresholds are not met the Council's Contract Procedure Rules would apply and full tendering process should be followed. Therefore the advice is that the Council should manage the procurement of the contracts should Councillors choose to proceed with this project.

Lease and Funding Arrangements

- 6.4 The Council leased its leisure buildings to the existing operator in 2004 and those leases are due to expire in 2019.
- 6.5 With regard to Blackbrook, the lease will require to be surrendered early in order to facilitate this project. The Council could agree to re-let the new facility to the existing Operator for the remainder of the period up to 2019 in order for the Council to consider its leisure service provision in its entirety nearer that time.
- 6.6 However this is on the assumption that the new facility does not alter the basis of the funding arrangements that the Council currently has with the exiting Operator.

- 6.7 The funding arrangements that the Council has with the Operator are provided for in accordance with section 19(3) Local Government (Miscellaneous Provisions) Act 1976 which provides that a local authority may contribute by way of a grant or loan towards the expenses incurred or to be incurred by any voluntary organisation. The existing Operator is a voluntary organisation for the purposes of the Act. The grant is provided by an annual funding agreement. If at any time the voluntary organisation does not require the grant or loan then the Council can no longer provide it. Therefore should the new provision provide a profit to such an extent that the Operator no longer require a grant then the Council will need to review the Funding Agreement.
- 6.8 If St James Street pool is to be closed, the Council will need to either agree a surrender of the lease with the Operator or serve notice of formal notice of termination under the terms of the lease.
- 6.9 In order to take a proper and rational decision on this matter Councillors will need to consider the following issues:-
- (a) Does the outcome of the outline business case demonstrate that the proposals are in accordance with the Council's strategic objectives – the contextual and consideration of leisure and cultural strategies and need?
 - (b) Does the outcome of the outline business case demonstrate that the proposals are affordable?
 - (c) Will continuing the arrangements enable the Council to demonstrate that it is complying with its duties to achieve best value and obtain value for money?
 - (d) Will the outcome of the analysis give rise to the requirement for a funding payment to be made from the Council to Tone for the delivery of the services from each facility?

Future Service Provision

- 6.10 Councillors will be aware that the Council has to satisfy its duties that it provides value for money. As part of this process it also needs to look at how the facility will be operated.
- 6.11 This project assumes that Tone Leisure will run the new facility until all of the leases expire in 2019 and clearly the Council will need to review its leisure provision over the next few years.
- 6.12 In addition to the work that has been carried out by FMG on the business case, a report by Sport England's National Benchmarking Service was commissioned in October 2011. This report benchmarked a number of leisure trusts and Tone Leisure ranked in the top quartile for performance.

- 6.13 However officers do want to do more work in order to further demonstrate that the Council is receiving value for money from Tone Leisure and should officers be unable to do so as the project progresses then Councillors will be notified of this and any implications that this may have.

Hawkins Trust

- 6.14 Contact has been made with the solicitors acting for the family trust to explore the possibility of whether they would be receptive to releasing some more land to the Council should it be required. The solicitor has confirmed that they family would be agreeable subject to suitable recompense.
- 6.15 A valuation has been carried out on the land that may be required and the estimated costs are included in the business case attached to this report. Therefore should Councillors choose the option that would require additional land, contact will be made with the solicitor to start those negotiations.

7 Financial Implications

- 7.1 This section aims to summarise the key financial information to help Councillors' decision making with regard to the project. The Outline Business Case, and overall options and affordability assessments have incorporated the already-approved improvements to Station Road Pool as well as the proposals for replacing St James Street Pool, to provide a rounded evaluation for swimming provision within Taunton (and surrounding area).

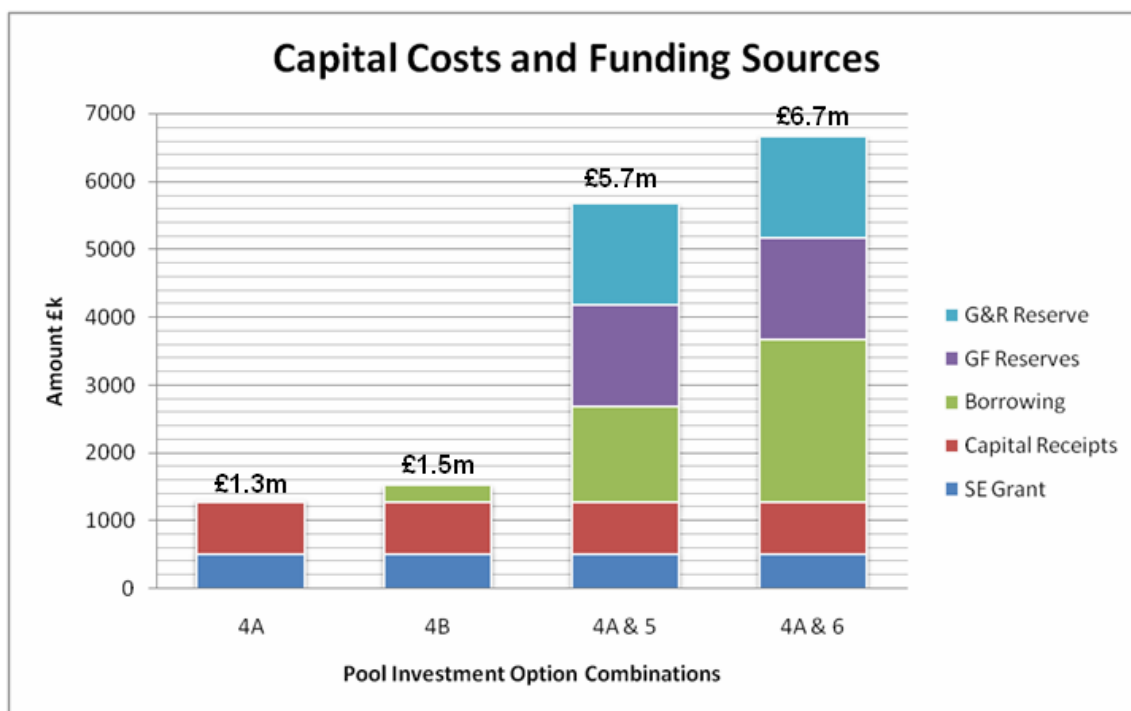
Capital Expenditure and Funding

- 7.2 The following table summarises the estimated capital expenditure and proposed funding for each of the options that are included in detail in the business case. The costs have been compiled using a standard 'design and build' procurement approach.

Table 2 – Capital Expenditure and Funding

	Station Road Pool (4A) £k	Station Road Pool with Boom (4B) £k	New Pool at Blackbrook (5) £k	New Pool at Blackbrook with Spa (6) £k
Total Capital Expenditure (works, capital equipment, etc)	1,268	1,468	4,255	5,209
<i>Inflation</i>	45	52	115	144
Estimated Capital Costs at 2013 prices	1,313	1,520	4,370	5,353
<i>Funded By:</i>				
Capital Grant (Sport England)	498	498	-	-
Capital Receipts Reserve	770	770	-	-
Revenue: Earmarked Reserves	-	-	1,500	1,500
Revenue: General Reserves	-	-	1,500	1,500
Borrowing	45	252	1,370	2,353
Total Funding	1,313	1,520	4,370	5,353

7.3 The detail behind the costings is included within the attached confidential Business Case document, and should be read in conjunction with this summary section of the report. The following graph presents the total costs and funding for the option combinations, with combined costs for example 4A plus 6 should Councillors wish to approve the pool and spa at Blackbrook on top of Station Road improvements:



7.4 **Option 4A – Station Road Pool:** This option is included in the Business Case for completeness, and is already included in the Council’s approved Capital Programme. The scheme is funded through a combination of external grant and available capital receipts. The business case produced by FMG assumes that price inflation will be added to this budget, increasing the costs by £46k. For financial modelling purposes it is assumed this increase in cost will be funded through borrowing. However, Councillors could require the design to remain within the £1.268m cash limit.

7.5 **Option 4B – Station Road Pool with New Boom:** This option enables the current provision of swimming facilities for schools and clubs to be incorporated into the Station Road Pool facility. This will need relatively modest additional capital investment of £200k plus inflation on top of Option 4A. As with 4A, this will be funded through grant and capital receipts, plus borrowing for the additional costs of the boom.

7.6 **Option 5 – New Pool at Blackbrook:** This proposal is to build a new pool on the Blackbrook Sports Centre site and has an estimated capital cost of £4,370k (at 2013/14 prices). The financial modelling undertaken assumes that £3m of existing cash resources (revenue reserves) will be used to fund the capital costs, plus borrowing for the balance of £1,370k. The decision to use reserves, rather than use of borrowing for the full cost, makes a significant

difference in terms of affordability of ongoing revenue implications.

- 7.7 **Option 6 – New Pool at Blackbrook with Spa:** As an enhancement to Option 5, this option includes the provision of spa facilities as well as new pool at Blackbrook. The estimated capital cost is £5,353k (at 2013/14 prices), an additional £983k compared to Option 5. As with Option 5, the financial modelling undertaken assumes that £3m of existing cash resources (revenue reserves) will be used to fund the capital costs, but with borrowing of £2,353k reflecting the higher up front costs.
- 7.8 The sources for the £3m of internal cash resources are General Fund Reserves (£1.5m) and the Growth & Regeneration Fund Earmarked Reserve (£1.5m). The benefit of using these funds for this project is to reduce the ongoing revenue implications of debt repayment and interest costs, thus improving the affordability of Options 5 and 6.
- 7.9 The current budgeted General Reserves balance is c£3.1m. Based on current (Q3) forecast outturn for 2012/13, the balance is expected to increase to approximately £3.5m for 2013/14. Working within this range, allocating £1.5m to this project would reduce the balance to between £1.6m and £2m. The Council's financial strategy includes a recommended minimum reserves balance of £1.5m therefore this proposal will leave limited 'headroom' in the reserve balance. On this basis, it is proposed that Councillors agree the 'principle' that the value of any 'excess' capital receipts from the eventual disposal of St James Street pool site (net of disposal costs) is used in a way that enables revenue savings to be added back to the General Reserves balance (such as using capital receipts instead of RCCO budget for future capital funding requirements, or setting aside the receipt to repay debt in place of a revenue MRP charge).
- 7.10 The Growth and Regeneration Reserve was created as part of the Approved Budget in February 2013, with a balance of £2.375m. On 9 April, Council approved the allocation of £375k from this reserve for another capital project, leaving an uncommitted balance of £2m. The proposed funding of Options 5 or 6 would reduce the balance to £0.5m for other growth and regeneration priorities.
- 7.11 The key consideration for Councillors is that using £3m of cash resources for this investment means the funds would not be available to support other priorities, and it is clear from previous financial reports that the Council has significant capital investment needs to support in future that are not currently included in the approved Capital Programme.

Other Capital Cost Considerations

- 7.12 The figures in Table 2 above do not include additional project delivery costs that will be needed to deliver the next stages of the project. It is assumed for the purposes of this report that these will be charged as revenue expenditure and funded from the Leisure Asset Maintenance Reserve accrued balance (see section 10 Next Steps, Project Requirements and Costs).

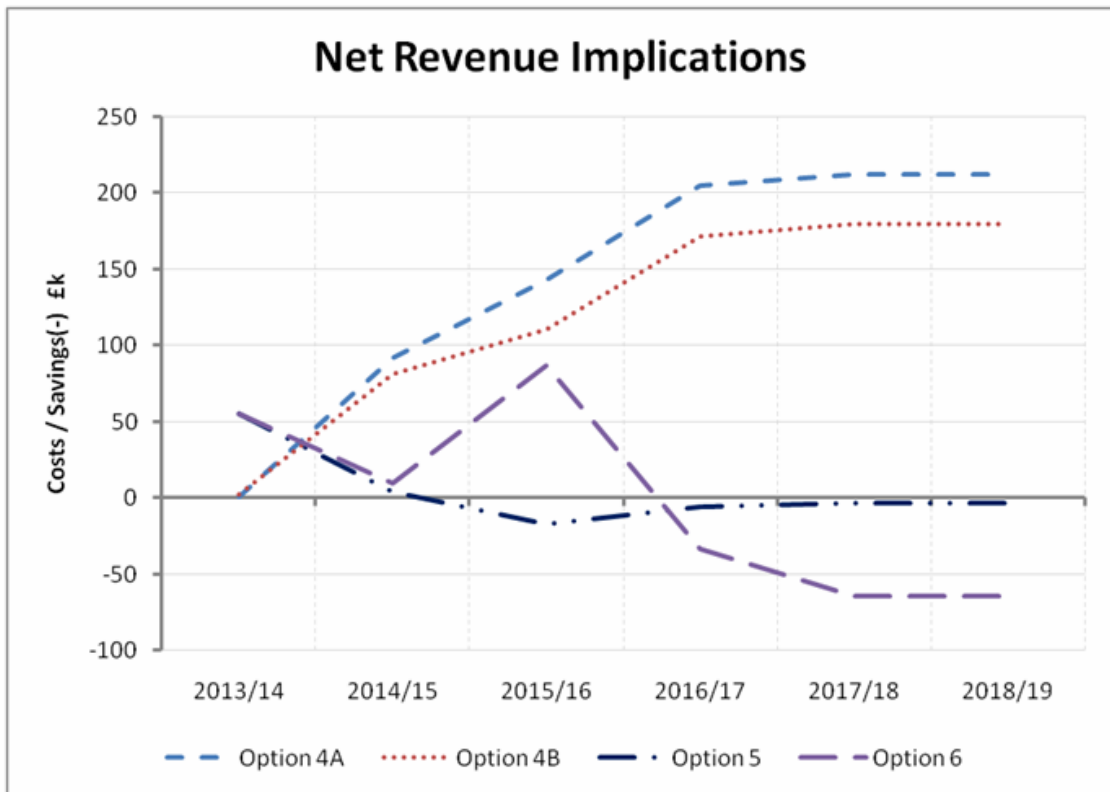
- 7.13 The business case does not include any decommissioning costs related to the St James Street Pool. It is assumed that any disposal costs will be covered by the capital receipt, and any holding costs (e.g. minimum maintenance requirements) prior to disposal will be met by the current Leisure Assets Maintenance budget or reserve. Based on VAT advice received regarding the risk to partial exemption allowances, it is recommended that the Council keeps its costs to a necessary/unavoidable minimum when considering the future of this site.

Revenue Implications and Affordability

- 7.14 One of the key objectives of this project from a financial perspective is that the investment should be affordable. This is taken to mean that the up front investment can be funded, and that the ongoing revenue implications are sustainable for annual budgets for both the leisure operator and the Council.
- 7.15 This section of the report focuses on the estimated annual cost of each option within the Business Case compared to current budget provision of the Council. The estimated revenue impact is set out in some detail in the business case, with a summary of the net impact for the Council explained below.
- 7.16 The revenue implications are predicated on a key assumption that the impact on the leisure operator's costs (up or down) will pass through to the funding payment made by the Council. That is to say that the Council would be in a position to propose an increase or decrease its funding payment, and the operator's business plan would remain sustainable based on the overall Business Case assumptions regarding operator's costs and income.
- 7.17 Based on the information available at this stage, each of the options will have a different impact on the operator's net operating costs and the Council's costs in terms capital maintenance and debt costs. Each option produces a different estimate of affordability in terms of annual revenue cost implications. The estimated impact on the leisure operator is set out within the Outline Business Case included in the Confidential Appendix E. From the Council's perspective, the estimated ongoing revenue implications of each option as shown in the Business Case is summarised in the following table and graph. The table projects forward to 2018/19, with the financial position in subsequent years projected to be similar or the same as 2018/19 on an ongoing basis. Positive figures are net costs; negative figures are net savings:

Table 3 – Net Revenue Costs / Savings (-) for the Council - Summary

	<i>Construction period</i>		<i>Fully operational</i>			
	2013/14 £k	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k
Option 4A	1	92	143	205	212	212
Option 4B	2	81	111	172	180	180
Option 5	55	4	-17	-6	-3	-3
Option 6	55	10	87	-33	-64	-64



- 7.18 Options 4A and 4B result in an increase to the Council's ongoing revenue costs. This will mainly relate to the estimated impact on the operator's net direct costs/surplus from the three facilities, significantly due to projected reduction in income.
- 7.19 Options 5 and 6 result in an estimated cost to the council during construction – mainly due to loss of income for the operator. However, following construction, both options are projected to cover the debt costs and provide further ongoing savings to the Council from 2015/16 (Option 5) or 2016/17 (Option 6). On this basis, the initial revenue impact during construction could be funded from the Leisure Asset Maintenance Reserve and then repaid through ongoing savings on an 'invest to save' basis.
- 7.20 Over the longer term Option 6 produces the biggest estimated saving per year, the difference being the projected surpluses generated by the Spa. From an affordability perspective, the business case identifies that Option 6 is therefore the most advantageous in terms of ongoing revenue impact, although this does have increased risk in terms of financial performance of the Spa.

Impact on Funding for Leisure Operator

- 7.21 As mentioned above, the presumption in the business case is that the estimated cost or savings for the operator arising as a result of these investments will pass through to the Council. The figures are best estimates at this stage. In reality the value of changes to the funding payment would need to be agreed under the terms of the Funding Agreement, but the figures in the Business Case are a reasonable estimate for decision purposes for this

project. On the basis that all assumptions are 'true' the potential impact on the funding payment to the operator would be as shown in the table below.

Table 4 – Projected Funding Payment Estimates

	2013/14 £k	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k
Base	407	407	407	407	407	407
Option 4A						
Estimate Change in Costs	1	92	173	235	242	242
Estimated Funding under 4A	408	499	580	642	649	649
Option 4B						
Estimate Change in Costs	2	81	127	189	196	196
Estimated Funding under 4B	409	488	534	596	603	603
Option 5						
Estimate Change in Costs	55	4	-121	-109	-107	-107
Estimated Funding under 5	462	411	286	298	300	300
Option 6						
Estimate Change in Costs	55	10	-112	-231	-263	-263
Estimated Funding under 6	462	417	295	176	144	144

Leisure Asset Maintenance Costs

7.22 The following table provides a summary of the projected impact on the Council's budget requirement for leisure asset maintenance. This reflects the 'Lifecycle costs' information provided within the business case.

Table 5 – Leisure Asset Maintenance Estimated Budget Requirement

	2013/14 £k	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k
Base	277	277	277	277	277	277
Option 4A						
Investment Lifecycle costs			-37	-37	-37	-37
Estimated under Option 4A	277	277	240	240	240	240
Option 4B						
Investment Lifecycle costs			-35	-35	-35	-35
Estimated under Option 4B	277	277	242	242	242	242
Option 5						
Investment Lifecycle costs			-3	-3	-3	-3
Estimated under Option 5	277	277	274	274	274	274
Option 6						
Investment Lifecycle costs			42	42	42	42
Estimated under Option 6	277	277	319	319	319	319

** figures exclude potential 'invest to save' funding and reimbursement during construction*

7.23 The net maintenance requirements take into account the anticipated closure of St James Street Pool and replacement / renewal of plant and equipment at Station Road Pool. The costs in Option 6 show a net increase, which allows for the addition of the Spa facilities.

Options Appraisal

7.24 In addition to assessing the affordability of the capital investment and ongoing revenue implications, the business case also includes a 'return on investment'

analysis based on the relatively cash flows of each option. Whilst this project is not being treated as an investment in order to make a financial return, it is helpful to consider the cash flow implications.

- 7.25 The business case concludes that Option 4B is ranked first on the basis of 'net present value' of the cash flows, which reflects the low incremental investment cost of the boom compared to the capital costs of a new pool and spa at Blackbrook. Option 6 is ranked second using this measurement.

VAT Implications

- 7.26 The Business Case assumes that Council will be able to recover the VAT costs on the capital investment. This is based on the lease of the buildings to the operator at a peppercorn rate with no consideration value (cash or non-cash) received in return.

- 7.27 Officers have considered that there are potential risks around VAT partial exemption, and specialist advice has very recently been obtained from LAVAT Consulting Ltd in respect of the lease of Blackbrook Sports Centre and potential new pool / spa. The advice concludes:

- The existing lease for Blackbrook, which still has several years to run, will need to be surrendered to the Council and a new lease for the enlarged premises will need to be granted. It is the status of the new lease which will determine the Council's ability to recover VAT on the construction of the new pool;
- The grant of a lease is normally an exempt supply, however HMRC's policy is that where a local authority grants a lease for which the consideration is no more than a peppercorn or £1, the grant of the lease may be treated as a non-business supply. "Consideration" includes both monetary and non-monetary consideration;
- Although the lease which is currently granted to Tone Leisure in respect of the Blackbrook facility states that the rent is a peppercorn, if Tone were to make any payment or contribution to the Council then the lease would cease to be non-business and would be treated as a VAT exempt supply. This would have implications for the Council's ability to recover VAT on any expenditure relating to the property;
- Because it will be necessary to grant a new lease to Tone Leisure, there is a risk that HMRC would see the surrender of the old lease to the Council as being a barter transaction, i.e. the grant of the new lease is conditional on the surrender of the old lease, thus making the lease exempt rather than non-business. LAVAT would recommend a submission be made to HMRC outlining why the Council believes that the grant of the new lease will be granted for no consideration and obtain their written agreement (this would remove the risk of challenge entirely provided that full disclosure of relevant facts is made such that HMRC could not claim to have been given insufficient information);
- If HMRC are not willing to give a ruling – recent experience has been that they point to VAT being a self-assessing tax – LAVAT would be happy to be commissioned to give their professional opinion based on the research

- carried out in compiling the submission;
- If the lease was deemed to be VAT-exempt, the VAT on construction of a new pool would be sufficient for the Council's exempt input tax to be treated as "significant", which means it cannot be recovered from HMRC under section 33 and may cause additional collateral losses on the Council's other exempt activities, such as property lettings and crematoria.

7.28 In summary, there are potential VAT risks that could be material to the affordability of the project, and it is advisable that a submission to HMRC is developed confirming the Council's assessment of the nature of the transactions.

7.29 Looking a bit further ahead, the Council will need to obtain VAT advice prior to any subsequent decisions around the disposal of the St James Street Pool.

Sensitivity Analysis

7.30 It is important to be aware that the financial modelling has been prepared on best available information at this stage of the project. One of the ways to test 'estimation errors' is to use sensitivity analysis i.e. what if something is more or less than our Business Case estimates.

7.31 The final business case includes a range of sensitivity analyses. For example:

- Reducing use of reserves and increasing borrowing by £1m for capital funding of Options 5 or 6 would increase the annual debt costs by £52k.
- If capital costs increase by £0.5m the ongoing revenue implications would be to increase annual costs by £30k?
- If income from the Spa was 10% lower than business plan, the revenue impact would be £27k in Year 1, rising to £54k by Year 3 (optimum usage).

7.32 The main financial risks for the project include:

Risk	Mitigation
The capital tender prices exceed budget or current estimates	Capital cost projections include an element of contingency. Should subsequent tender prices exceed any approved budget provision a further report would be submitted to Councillors to clarify the financial implications and to decide whether or not to proceed or vary the specification to manage affordability.
Project delivery slips or stretches, resulting in increase to costs	Capital cost projections include an element of contingency. Should the contingency budget be exceeded, further funding would need to be identified.
Borrowing rates are higher than assumed in the business case	The ongoing revenue implications of higher interest costs would need to be taken into account in final affordability assessment and through budget setting.

Risk	Mitigation
Future results are different to the projections in the operator's business plan	The operator will be liable for variations to its own business plan and budgets. Any related risk for TDBC would be managed through the annual negotiation of the Funding Payment.
The business plan for the spa is over optimistic	This could impact on the financial performance of the operator, and would need to be taken into account when agreeing the annual payment to the operator under the terms of the Funding Agreement. The Council's annual budget setting process would need to reflect agreed payment levels.
VAT	Professional VAT advice has been obtained to clarify the risks and mitigation available to the Council. Council is advised to submit an assessment of lease arrangements to HMRC and seek a ruling regarding the VAT classification in order to ratify the business case assumptions.

8 Procurement

- 8.1 Following legal advice and through the business case process the recommended route for the Council is through a Design and Build procurement exercise.
- 8.2 If Councillors decide to proceed with the provision of a new pool the Council will need to begin a procurement process. The process will take the form of two key stages of preparing for procurement and the actual procurement.
- 8.3 At the end of the prepare to procure phase a further report would be brought to Councillors to gain permission to proceed with the procurement. This would be a gateway for the Council before finally committing to work beginning on site
- 8.4 With support from SWOne Procurement we would seek to utilise available frameworks (Fully EU and standing compliant) that have the potential to reduce the timescale of a full EU procurement and would provide opportunity to include client based approach from the National Skills Council, providing the possibility of apprentice or work experience places.

9 Conclusion

- 9.1 This report provides information on the options and cost implications of a new pool to replace St James Street pool and the implications if Councillors choose not to proceed with a new pool.
- 9.2 The report provides information on the affordability of any agreed project for the Council. It can be seen that the option to build a pool or a pool with a Spa are affordable but that each carry their own risk.

10 Next Steps, Project Requirements and Costs

10.1 Dependant on if the decision is made to proceed to the next stage the following Steps and funding will be required.

10.2 This is a major capital project for the Council and as such will require adequate resource in terms of capacity and skill level to ensure it is delivered safely. It is proposed that a project team working in partnership with our Operator, Tone Leisure is formed to support this team and external expertise is procured.

10.3 The first stage of the project will be to prepare to procure. It is proposed that external expertise from Leisure Consultants is utilised to support the Council as follows.

- Preparation of options and proposals to develop a clear brief to prepare a detailed design
- Support the council in the establishment of a project team overseeing the procurement and contract works
- We would expect the consultants to work alongside the council and Tone Leisure complementing capacity and capability that the team would be able to bring to project. This will ensure that work that can be delivered in house is delivered in house.

10.4 The proposed resources for the next stages of the project is as follows:-

Role	Who	Cost (Est) £
TDBC Lead	Alison North, Community Leisure Manager	
Finance	Paul Fitzgerald, SWOne Finance	
Procurement	SWOne Procurement	
Legal	External expertise, Leonie Cowen and VAT Advice from LAVAT	100,000
Operator Lead	Tone Leisure	
Leisure Procurement Advice	External Leisure consultancy expertise	50,000
Contingency		50,000
TOTAL		200,000

10.5 It is recommended that this is funded from the Leisure Asset Maintenance earmarked reserve.

11 Link to Corporate Aims

11.1 This project aligns to the Corporate Aims of 'A vibrant social, cultural and

leisure environment' and objective 7 'Facilitating and supporting cultural and leisure opportunities.

12 Environmental and Community Safety Implications

- 12.1 A BREAM pre assessment has been carried out. For Councillors information BREAM sets out the standard for best practice in sustainable building design, construction and operation and has become one of the most comprehensive and widely recognised measures of a buildings environmental performance. It considers low carbon and low impact design, minimising energy demands created by building design. The assessment identifies the design for Blackbrook to be 'Very Good'.
- 12.2 Public swimming provides another activity in a part of Taunton Deane that has never had provision. This could impact positively on antisocial behaviour. There are likely to be some short term issues during the build phase and consideration should be given to ensuring the overall safety of the site, customers and visitors

13 Equalities Impact

- 13.1 The new building at Blackbrook will significantly improve and fully address access issues of the current pool provision at St James Street. With the refurbishment of Station Road the community will have access to two quality pools that meet modern day customer expectations and provide opportunity for balanced provision. An Equalities Impact Assessment is attached as Appendix F which will continue to be reviewed as part of the project governance if the project progresses

14 Risk Management

- 14.1 Appendix G provides a current risk register for the known expected risks for this stage of the project. This will be reviewed and updated if the project progresses and will form an important part of the project governance

15 Partnership Implications

- 15.1 The progression of this project will require continued partnership working with Tone Leisure as our Leisure Operators. It will require support from Southwest One Procurement, Finance and Property. Continued consultation with the swimming clubs, schools, Sport England and Taunton Disability Group will also be necessary

16 Comments from Scrutiny

- 16.1 This topic was considered by the Corporate Scrutiny Committee at its meeting on 25 April 2013. The Committee's recommendations were that:-
- All were in favour of the proposal to build a pool at Blackbrook;
 - Members voted against the proposal of building a spa; and

- £200k should be taken from the Leisure Asset Maintenance Reserve to help pay for the proposals.

17 Recommendations

- 17.1 Members of the Executive are requested to consider the options for future swimming provision in Taunton and to recommend to Full Council:-
- a) Which option of those described in the report should be pursued by the Council;
 - b) If a new pool is the preferred option, to recommend whether a spa should be included to support the Business Case; and
 - c) If a new pool is the preferred option, to recommend the approval of £200k from the Leisure Asset Maintenance Reserve to take the project forward to the next stage.

Appendices:

Appendix A – External Expertise Summary
Appendix B – Leisure Net Survey
Appendix C – CONFIDENTIAL Spa Visit Q&A's
Appendix D – CONFIDENTIAL FMG Procurement Strategy
Appendix E – CONFIDENTIAL FMG Detailed Business Case
Appendix F – Equalities Impact Assessment
Appendix G – Risk Register

Contact:

Alison North, Community Leisure Manager
01823 356 576
a.north@tauntondeane.gov.uk

Appendix A

Detailed Business Plan support, Modelling and external verification

1.1.1 Kevin Godden, Director - FMG Consulting

Kevin is a qualified accountant with significant experience in the development and negotiation of management and public private partnership contracts. He has over 14 years experience in local government finance and 10 years experience specifically as a consultant in the sport and Leisure sector. He has expertise in leisure procurement, business planning, leisure operations, facility feasibility and financial modelling.

<http://www.fmgconsulting.co.uk/index.php>

1.1.1 Legal Procurement and Lease Extension

Leonie Cowen – Leonie Cowen & Associates

Specialists in Leisure and Sports Procurement. Leonie Cowen has a wide range of professional and management experience particularly in procurement commissioning and local Authority Powers and duties.

<http://www.lcowen.co.uk/index.htm>

1.1.2 Additional Income Generation – SPA

As part of the research of an additional income generating facility of a SPA to support the business case officers and Councillors attended a site visit to Pendle. As an Authority Pendle has a trust which operates a wide range of Leisure Facilities for the Council.

Questions were collected from Members and officers to ask on the trip. The results of which are attached as an appendix

An independent survey was also conducted by Leisure Net Solutions a copy of which is attached as an appendix for Councillors and which is summarised further in this report

1.1.3 Cost Confidence

Professional support has been sought to provide cost confidence up to RIBA Stage C by Saunders Boston Architects. This has been led by Martin Lindus, Director who specialises in Leisure in particular Public sector Leisure.

<http://www.saundersboston.co.uk/>



Appendix B

Community and User Survey for
Taunton Deane Borough Council
into a proposed Spa facility



November 2012

Project: Community and User Survey on Spa
Client: Taunton Deane Leisure Services
Date of Research: November/December 2012
Produced by: Mike Hill

Leisure-net Solutions, the industry leader for Customer Insight and Market Intelligence in the active leisure industry, is delighted to present this report of research carried out on behalf of Taunton Deane Leisure Services, looking at current users, and the wider community's, attitudes towards the new spa proposal.

This report is based on information gathered from a sample of 143 users of Tone Leisure leisure centres, and 300 Members of the local community in Taunton. The research used an online survey and face to face interviews. A short video was used online and flash cards face to face, in order to show people the sort of facility that is being considered.

The interpretation and analysis of these findings is supported by the benefit of our extensive database gathered from research carried out for over 100 clients in the sector, from our regular series of omnibus surveys, HAFOS, and by our knowledge of the industry sector as consultants.

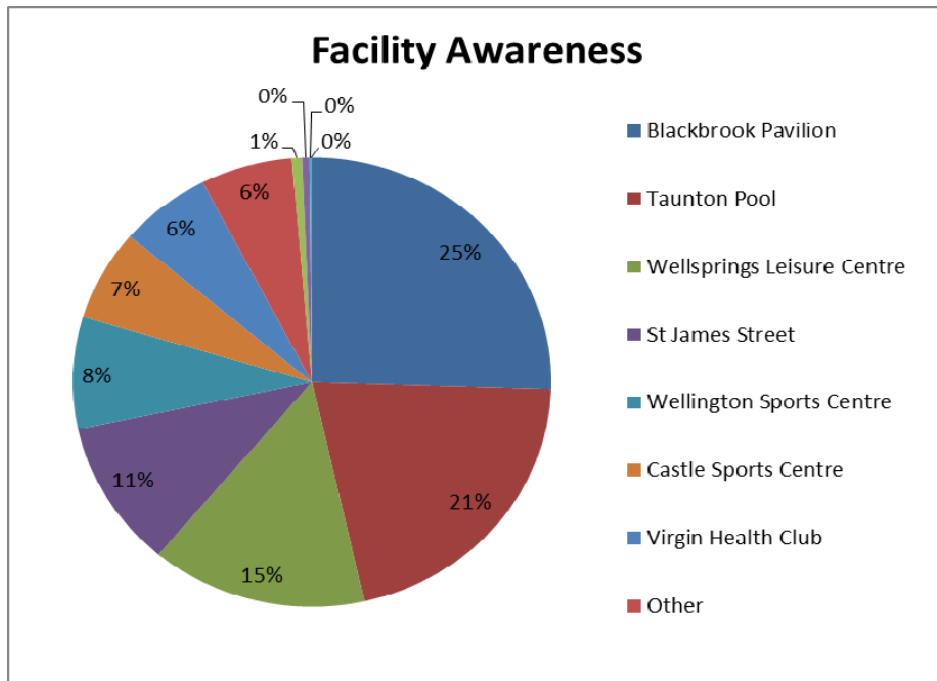
Mike Hill
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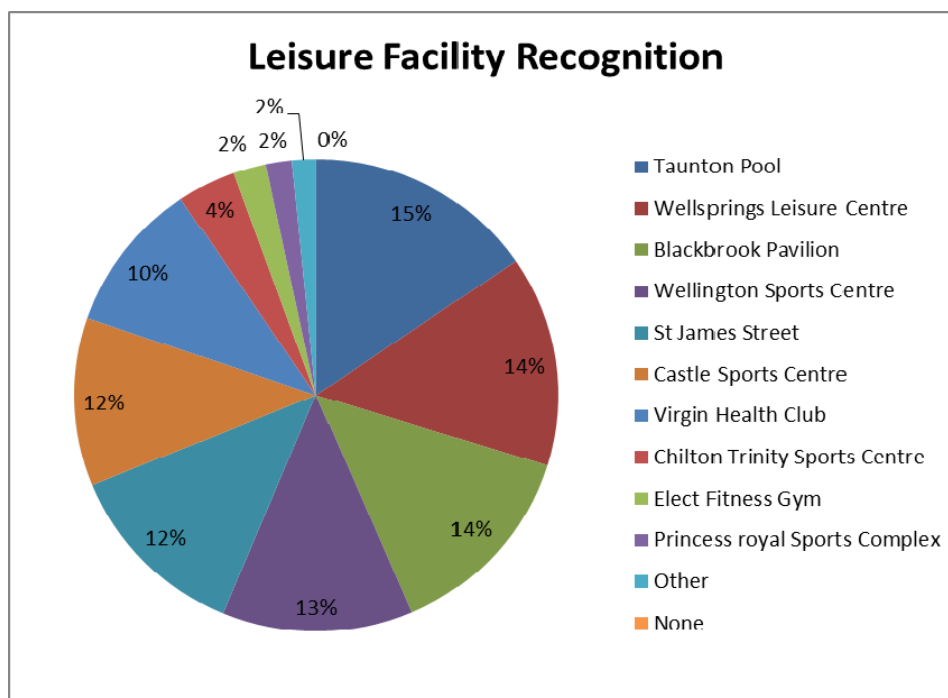
Delivering exceptional service in the active leisure industry

Key Findings – Community Survey

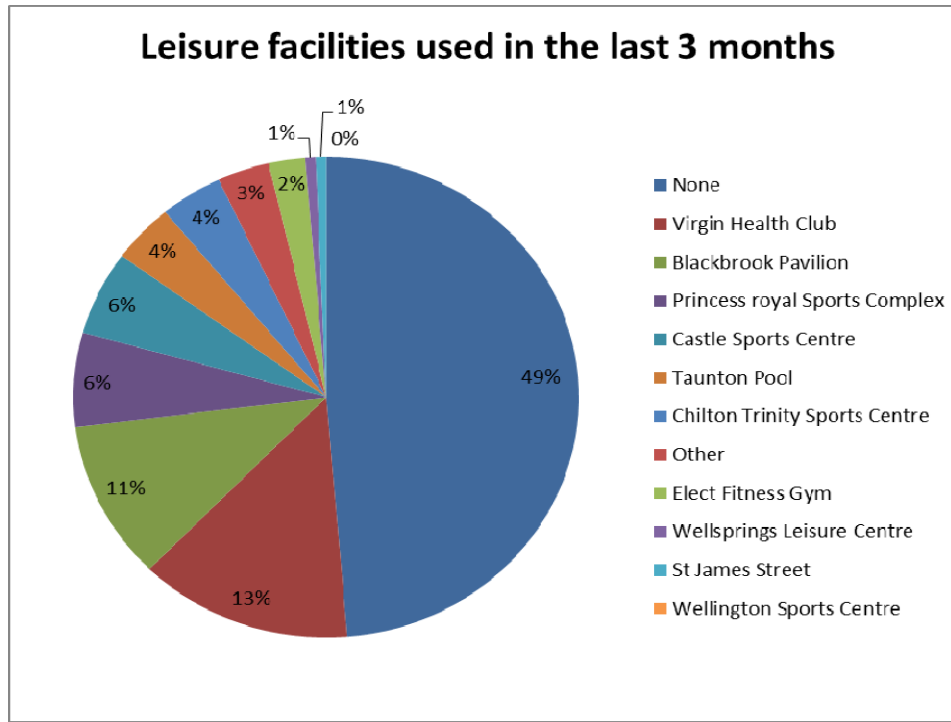
Blackbrook Pavillion is the leisure facility with the widest awareness in the community, followed by Taunton Pool and then Wellsprings Leisure centre.



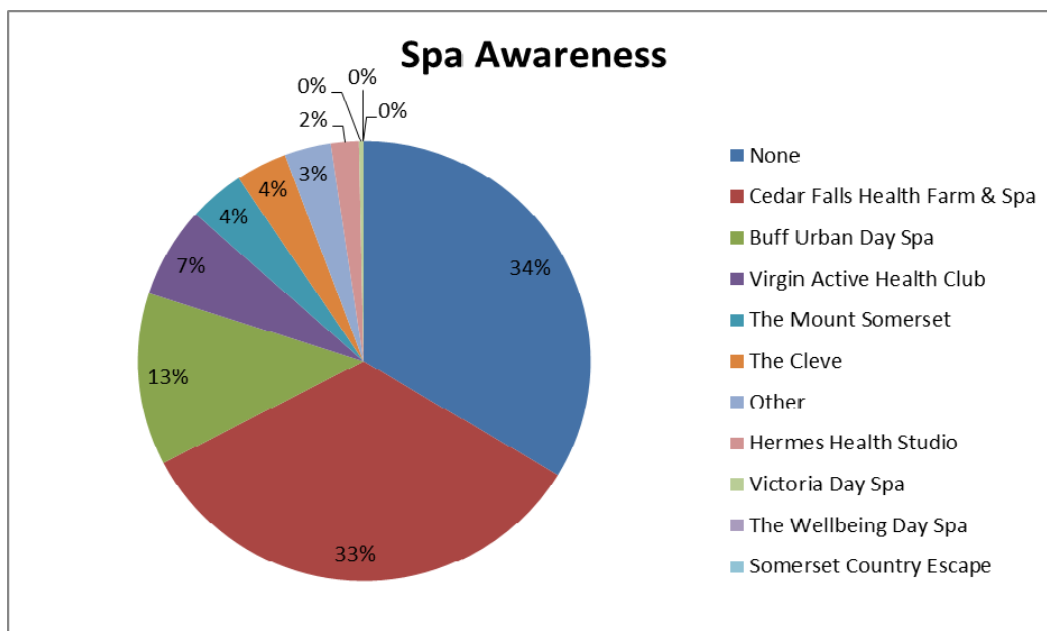
When prompted with the names of local leisure facilities, recognition of other facilities increased.



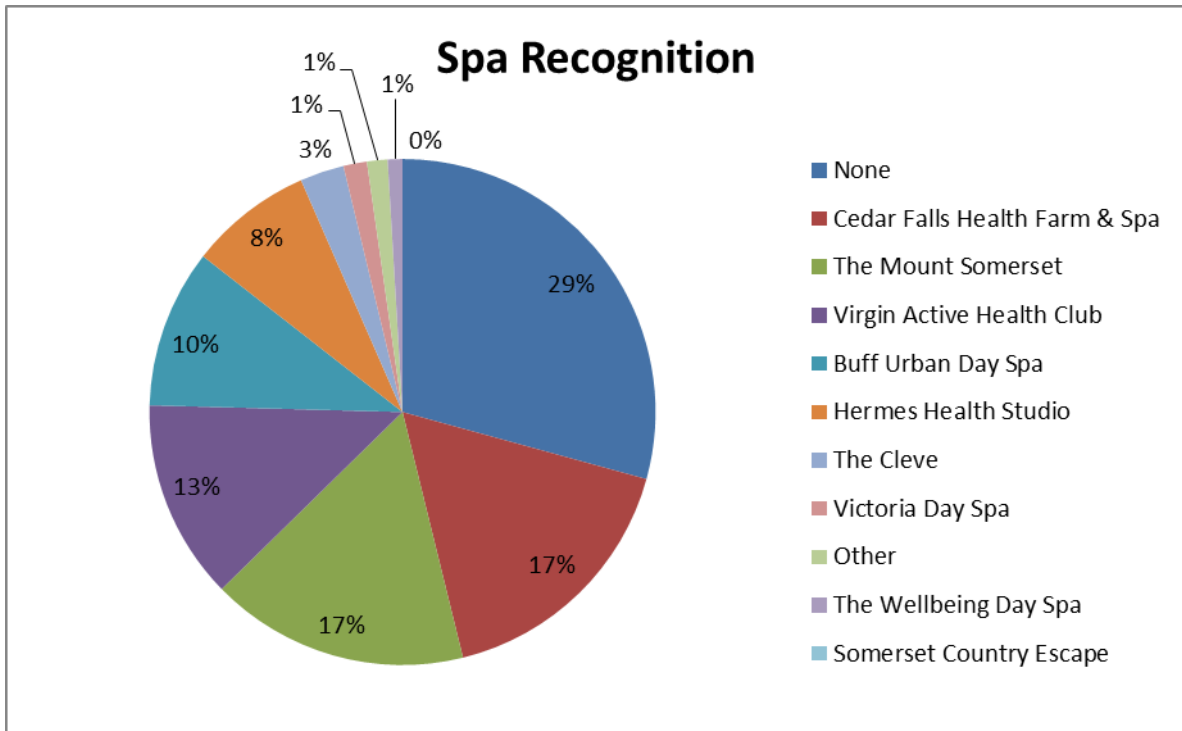
Just under 50% of the sample had not used any of the leisure facilities within the last 3 months, interesting the most frequent response after that was the Virgin Health club at 13%, followed by Blackbrook Pavilion at 11%.



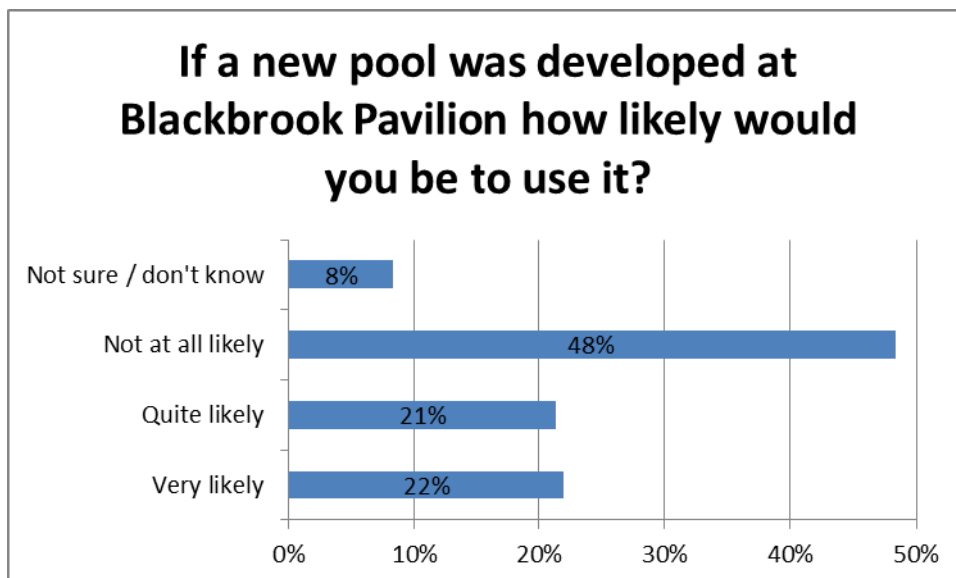
Thirty-four per cent of the sample could not name a local spa facility, but 33% could name Cedar Falls with 13% being aware of Buff Urban Day spa.



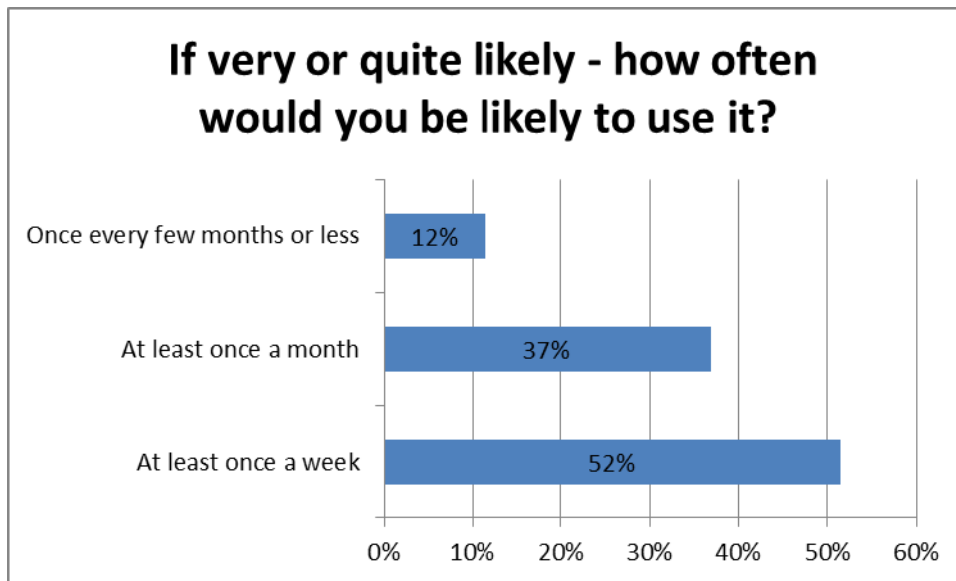
When prompted, the Mount Somerset and Virgin Active, moved up the ranking in terms of recognition compared to awareness (ie not prompted).



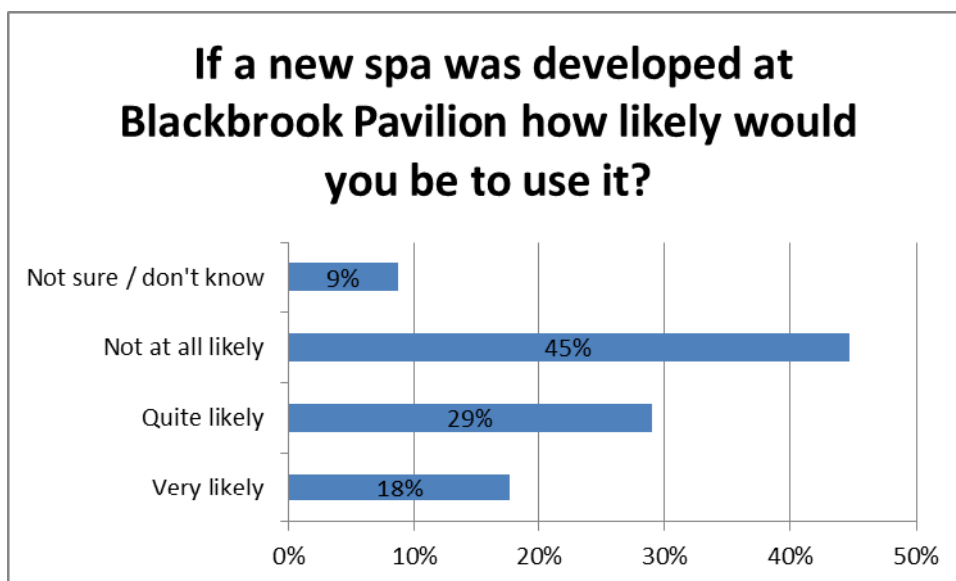
When asked how likely they would be to use a new pool at Blackbrook Pavilion, 43% stated they would be very or likely to use it.



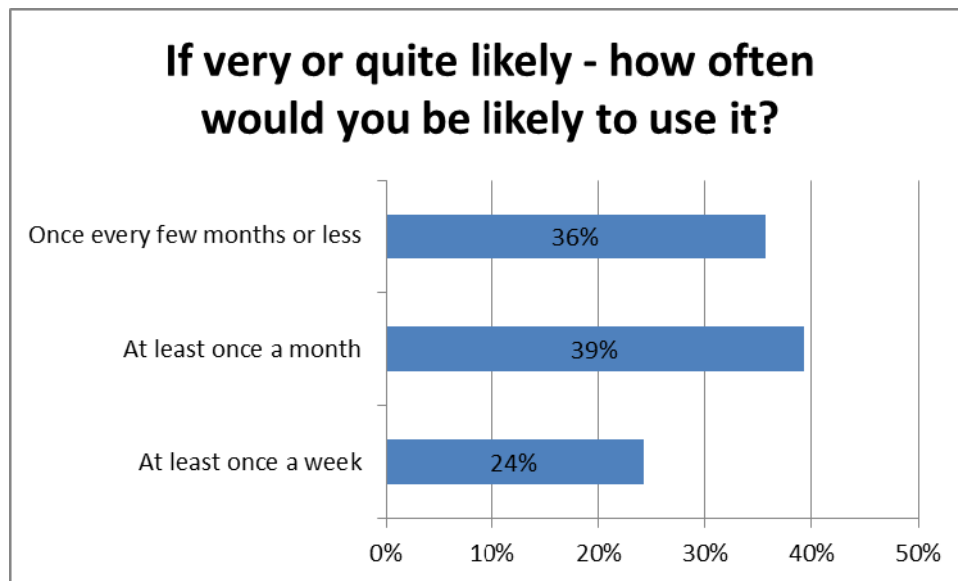
Of those that said they would use it, 52% stated they would use it at least once a week.



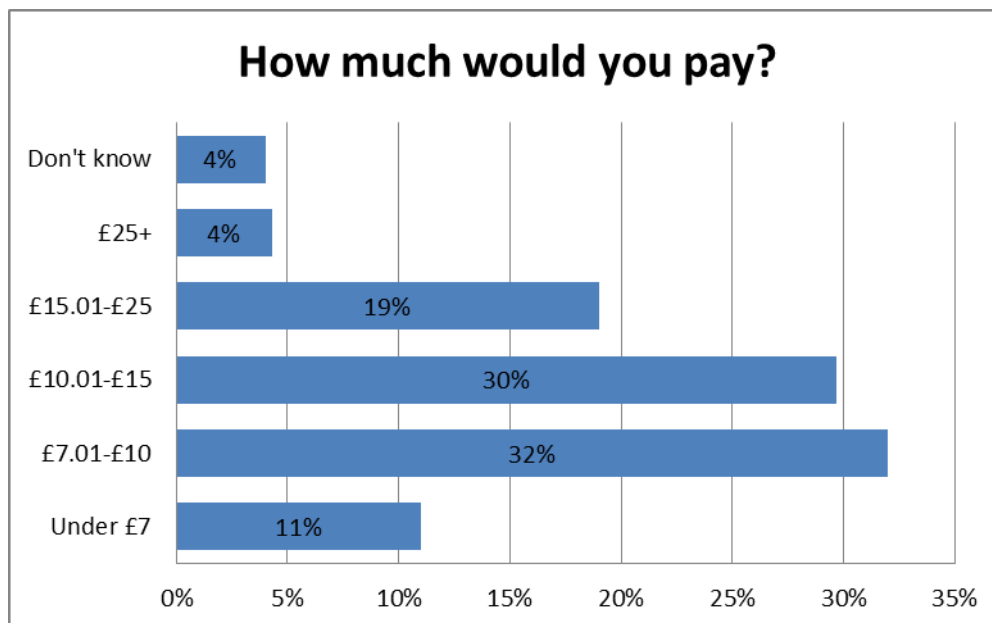
When asked how likely it would be that they would use a new spa facility at Blackbrook, 47% stated that they would be very or quite likely to use it.



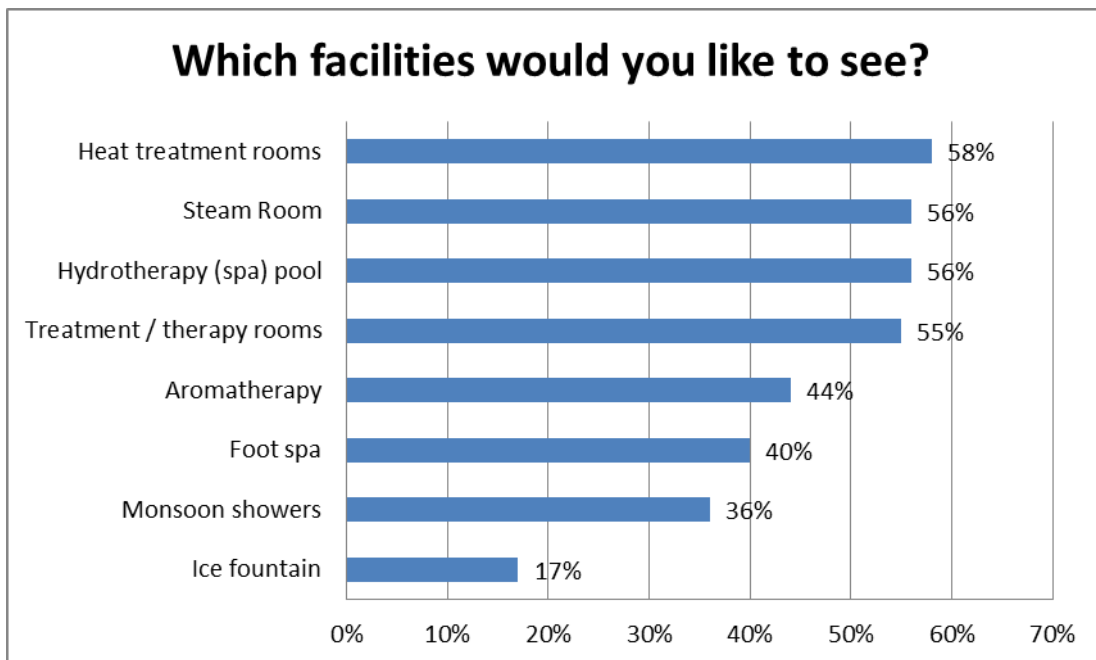
Of those interested in using the spa, 24% said they would use it at least once a week, with another 39% stating at least once a month.



When asked how much they would be prepared to pay, 32% stated £7 to £10, with another 30% stating £10 to £15.

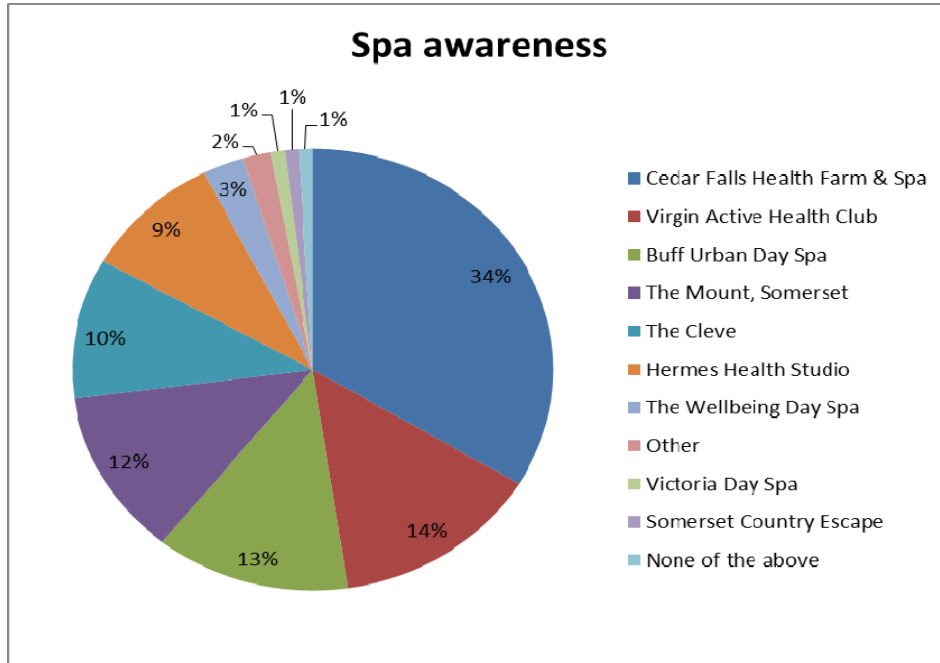


The most popular choices of facilities that people would like to see were Heat treatment rooms, steam rooms, hydro therapy pools and treatment rooms.

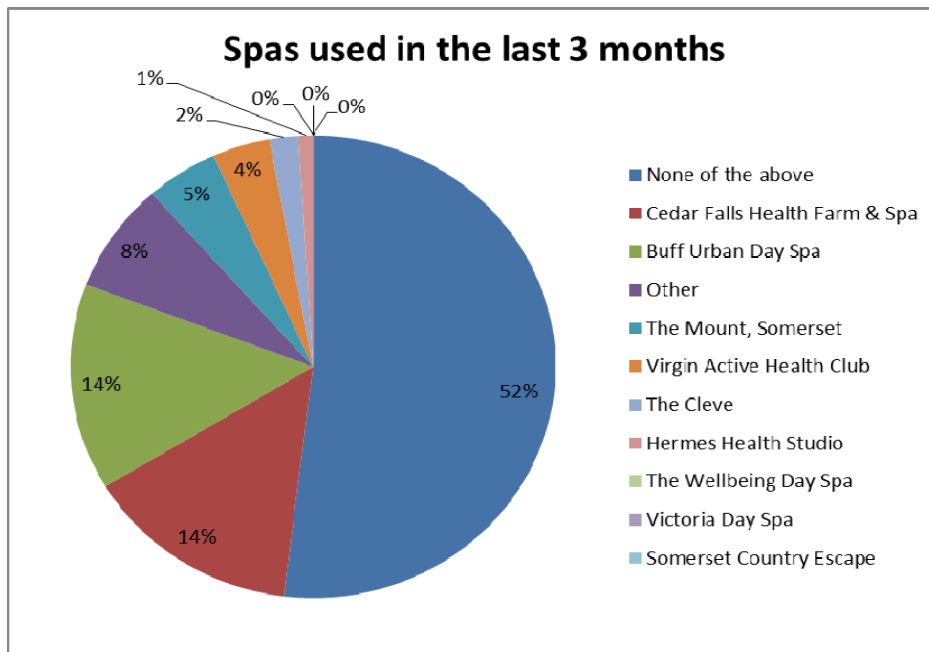


Key Findings – User Survey

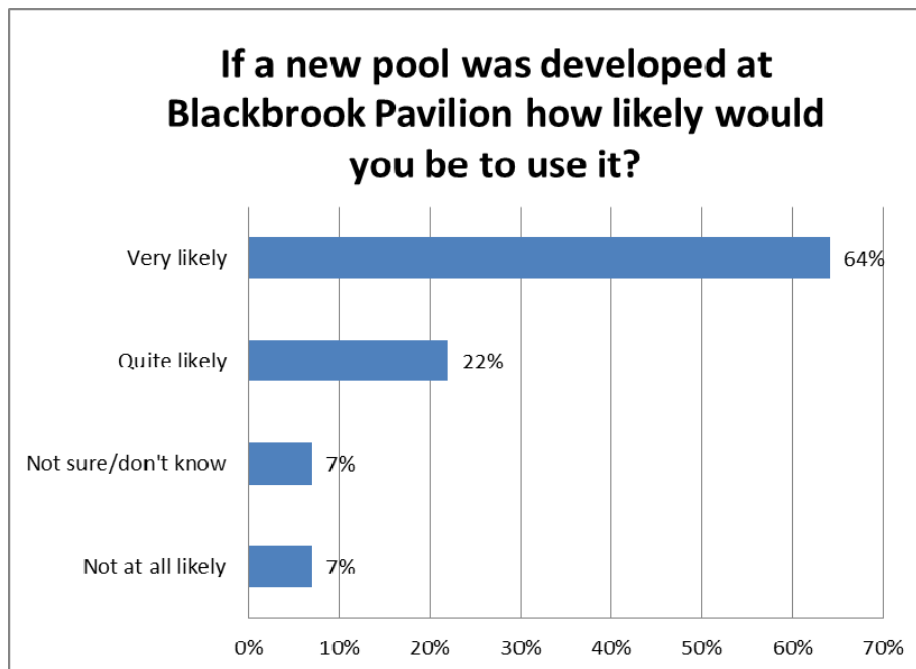
The spa with the greatest awareness was Cedar Falls, following by Virgin Active and Buff.



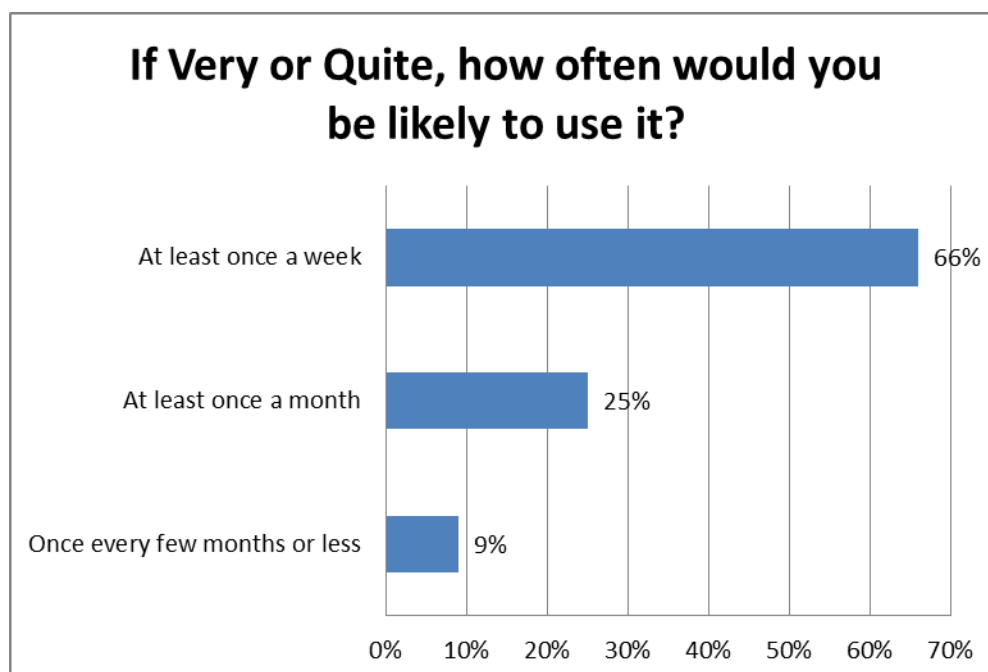
The spas with the greatest usage in the last 3 months were Cedar Falls and Buff.



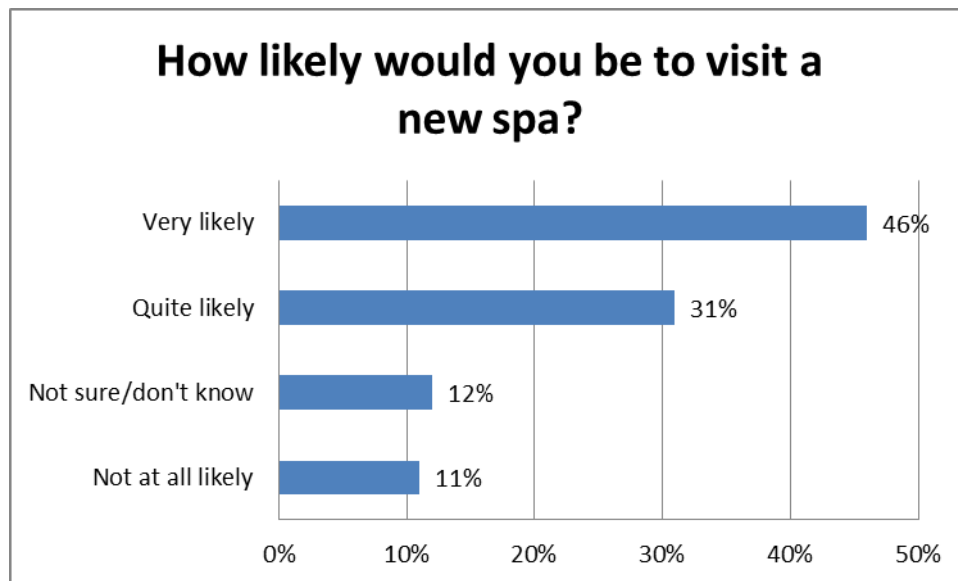
Sixty four percent of the sample stated that they would be very likely to use a new pool, with another 22% saying they would be quite likely.



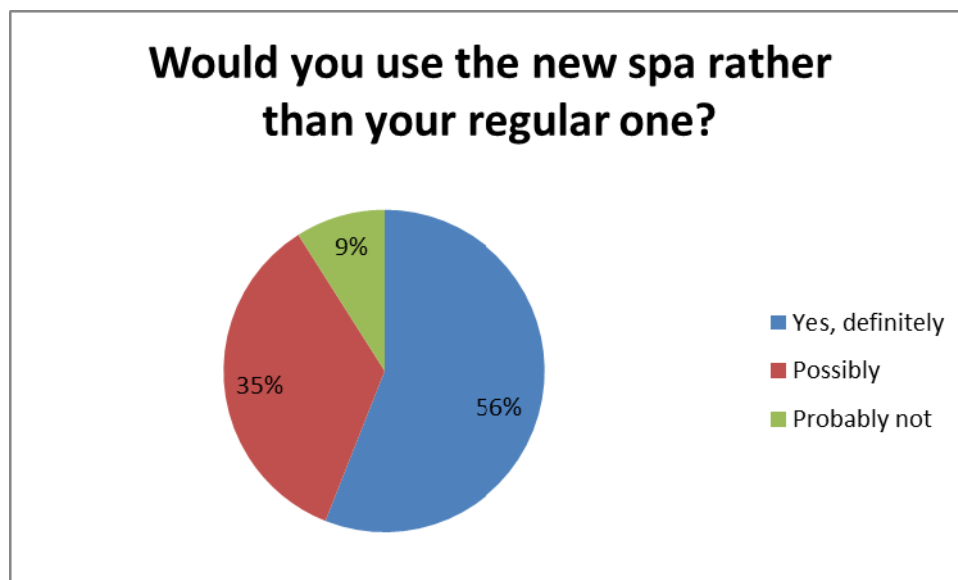
Of those stating they would be very or quite likely to use it, 66% said they would use it at least once a week.



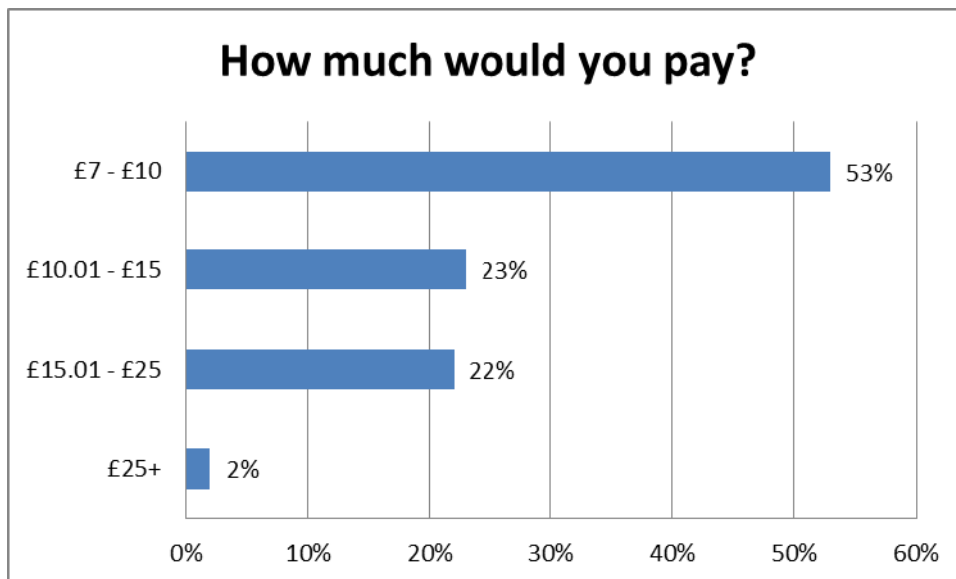
Forty-six percent of respondents stated they would be very likely to use a new spa with 31% saying that they would be quite likely.



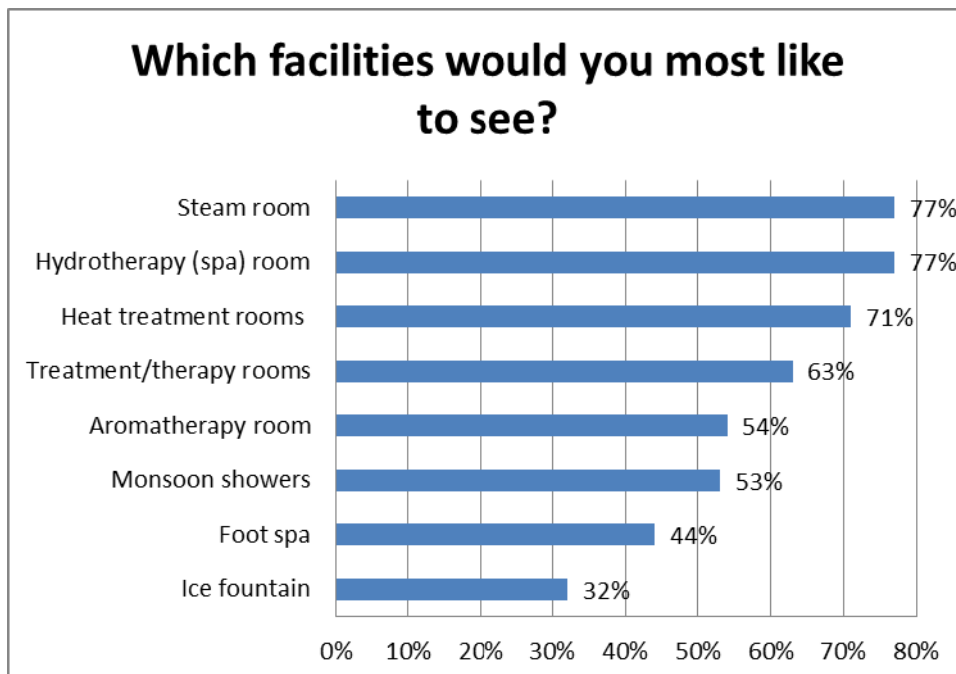
Of the people currently using a spa on a regular basis, 56% stated that they would definitely use a new one at Blackbrook if given the option.



The majority of respondents said they would be prepared to pay £7- £10 for the spa experience.



The facilities that most people would like to see were steam rooms and hydrotherapy rooms, following by heat treatment rooms.



Data Set – Community Survey (sample size 300)

Age

15-24	18%
25-34	16%
35-44	17%
45-54	13%
55-64	16%
65-74	15%
75+	5%

Gender

Male	40%
Female	60%

Marital Status/Civil partnership

Single	31%
Married/Civil partnership/Living together	56%
Divorced/Separated	7%
Widowed	7%

Current employment Status

Working in full time employment	35%
Working in part time employment	22%
Student	6%
Retired	25%
Unemployed	8%
Home carer	5%

SE Group

AB	19%
C1	32%
C2	20%
DE	29%
Student	1%

Children under 16 living at home?

Yes	25%
No	75%

Would you describe yourself as having a significant disability?

Yes	6%
No	94%

Ethnic Origin

White British	97%
White Irish	1%
Any other white	1%
Black Caribbean	0%
Black African	0%
Any other black	0%
White & Black Caribbean	0%
White & Black African	0%
White & Asian	0%
Other dual heritage	0%
Indian	0%
Pakistani	0%
Bangladeshi	0%
Vietnamese	0%
Chinese or Chinese British	0%
Turkish/Turkish Cypriot	0%
Greek/Greek Cypriot	0%
Jewish	0%
Kurdish	0%
Other (please specify)	0%
Don't know/Don't want to answer	1%

ETHNICOTHER. Other

POLISH	1
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Q1. What leisure facilities are you aware of in the local area? Unprompted

Blackbrook Pavilion	51%
Castle Sports Centre	13%
Chilton Trinity Sports Centre	1%
Elect Fitness Gym	0%
Princess royal Sports Complex	1%
St James Street	21%
Taunton Pool	42%
Virgin Health Club	12%
Wellington Sports Centre	16%
Wellsprings Leisure Centre	29%
Other	12%

Q1OTHER. Other

Total	37
YMCA	5%
WOOD SPRINGS	3%
WELLBROOK	3%
VIVARY PARK	3%

TRINITY	3%
WELLING CREWE SPA	3%
TONE LEISURE	16%
TONACISE	3%
TAUNTON SCHOOL	3%
SLAT	3%
SCHOOLS	3%
SCATTS	3%
QUEEN AND KINGS	3%
PARK TENNIS COURTS	3%
MY BUS PASSES THE THEATRE	3%
LIFESTYLE	3%
HUISH	3%
HOOK HOUSE	5%
HERMES	3%
FITNESS FIRST	3%
STATION ROAD POOL	3%
ESPORTA	8%
CURVES	5%
CRICKET GROUND PRIVATE SCHOOLS	3%
BIVARY PARK	5%
BATH HOUSE	3%
ACADEMY SWIM CENTRE	3%
1610	3%

Q2. What leisure facilities are you aware of in the local area? Prompted

Blackbrook Pavilion	52%
Castle Sports Centre	44%
Chilton Trinity Sports Centre	15%
Elect Fitness Gym	8%
Princess royal Sports Complex	7%
St James Street	47%
Taunton Pool	58%
Virgin Health Club	39%
Wellington Sports Centre	48%
Wellsprings Leisure Centre	55%
Other	6%

Q2OTHER. Other

Total	18
YMCA	11%
WOOD SPRINGS	6%
TONE LEISURE	17%
TONACISE	6%
TAUNTON SCHOOL	6%

SOMERSET COLLEGE	6%
SCATTS	6%
QUEEN AND KINGS	6%
LIFESTYLE	6%
ESPORTA	6%
CURVES	6%
CLEVES SPA HOTEL	6%
BIVARY PARK	6%
BATH HOUSE	6%
1610	6%

Q3. What leisure facilities have you used in the last 3 months?

Blackbrook Pavilion	11%
Castle Sports Centre	4%
Chilton Trinity Sports Centre	1%
Elect Fitness Gym	1%
Princess royal Sports Complex	0%
St James Street	6%
Taunton Pool	14%
Virgin Health Club	3%
Wellington Sports Centre	4%
Wellsprings Leisure Centre	6%
Other	2%
None	49%

Q3OTHER. Other

TONACISE	14%
TAUNTON SCHOOL	14%
SPIRIT	14%
NONE	14%
CURVES	29%
BATH HOUSE	14%

Q4. Do you use any of these on a regular basis (at least once a week)

Blackbrook Pavilion	4%
Castle Sports Centre	1%
Chilton Trinity Sports Centre	1%
Elect Fitness Gym	1%
Princess royal Sports Complex	0%
St James Street	3%
Taunton Pool	7%
Virgin Health Club	3%
Wellington Sports Centre	3%
Wellsprings Leisure Centre	5%
Other	2%

None 71%

Q4OTHER. Other

TONACISE 20%
TAUNTON SCHOOL 20%
none 20%
CURVES 40%

Q5. Which spa facilities are you aware of in the local area? Unprompted

Cedar Falls Health Farm & Spa 34%
Buff Urban Day Spa 13%
Hermes Health Studio 2%
The Mount Somerset 4%
Virgin Active Health Club 7%
The Wellbeing Day Spa 0%
Victoria Day Spa 0%
The Cleve 4%
Somerset Country Escape 0%
Other 3%
None 34%

Q5OTHER. Other

TAUNTON POOL 30%
SPIRIT 10%
LUCY FORMAN 10%
HESTERCOMBE GARDENS 10%
EAST STREET 10%
CENTRE PARKS 10%
BLACKBROOK 10%
BATH SPA 10%

Q6. Which of the following have you heard of? Prompted

Cedar Falls Health Farm & Spa 52%
Buff Urban Day Spa 30%
Hermes Health Studio 18%
The Mount Somerset 23%
Virgin Active Health Club 29%
The Wellbeing Day Spa 5%
Victoria Day Spa 2%
The Cleve 14%
Somerset Country Escape 3%
Other 2%

Other

TAUNTON POOL	20%
SPIRIT	20%
HOLIDAY INN	20%
HESTERCOMBE GARDENS	20%
BLACKBROOK	20%

Q7. Which spa facilities have you used in the last 3 months

Cedar Falls Health Farm & Spa	2%
Buff Urban Day Spa	2%
Hermes Health Studio	1%
The Mount Somerset	1%
Virgin Active Health Club	2%
The Wellbeing Day Spa	0%
Victoria Day Spa	1%
The Cleve	1%
Somerset Country Escape	0%
Other	1%
None	91%

Q7OTHER. Other

TAUNTON POD	33%
CENTRE PARKS	33%
BATH SPA	33%

Q8. Which spa facilities have you used on a regular basis, at least once a month?

Cedar Falls Health Farm & Spa	0%
Buff Urban Day Spa	0%
Hermes Health Studio	0%
The Mount Somerset	0%
Virgin Active Health Club	2%
The Wellbeing Day Spa	0%
Victoria Day Spa	1%
The Cleve	0%
Somerset Country Escape	0%
Other	1%
None	96%

Q8OTHER. Other

TAUNTON POD	50%
BATH SPA	50%

Q9. If a new pool was developed at Blackbrook Pavilion how likely would you be to use it?

Very likely	22%
Quite likely	21%
Not at all likely	48%
Not sure / don't know	8%

Q9A. If very or quite likely - how often would you be likely to use it?

Very likely & Quite likely - Q9	130
At least once a week	52%
At least once a month	37%
Once every few months or less	12%

Q10. If a new spa was developed at Blackbrook Pavilion how likely would you be to use it?

Very likely	18%
Quite likely	29%
Not at all likely	45%
Not sure / don't know	9%

Q10A. If very or quite likely - how often would you be likely to use it?

Very likely & Quite likely Q10	140
At least once a week	24%
At least once a month	39%
Once every few months or less	36%

Q11. If you currently use a spa on a regular basis would you consider using a facility such as this rather than where you currently use?

Yes definitely	2%
Possibly	5%
Probably not	4%
NA	88%

Q12. For a facility like this how much would you pay and feel that you were getting good value for money?

Under £7	11%
£7.01-£10	32%
£10.01-£15	30%
£15.01-£25	19%
£25+	4%
Don't know	4%

Q13. Which facilities would you like to see in this new spa facility?
Q13A. Hydrotherapy (spa) pool

0 - Wouldn't like to see	13%
1	4%
2	11%
3	16%
4	13%
5 - Would definitely like to see	44%

Q13B. Steam Room

0 - Wouldn't like to see	17%
1	5%
2	7%
3	14%
4	13%
5 - Would definitely like to see	44%

Q13C. Aromatherapy

0 - Wouldn't like to see	15%
1	8%
2	14%
3	18%
4	13%
5 - Would definitely like to see	31%

Q13D. Treatment / therapy rooms

0 - Wouldn't like to see	14%
1	3%
2	11%
3	17%
4	12%
5 - Would definitely like to see	43%

Q13E. Heat treatment rooms

0 - Wouldn't like to see	16%
1	5%
2	8%
3	13%
4	16%
5 - Would definitely like to see	42%

Q13F. Foot spa

0 - Wouldn't like to see	21%
1	8%
2	15%
3	15%
4	9%
5 - Would definitely like to see	31%

Q13G. Ice fountain

0 - Wouldn't like to see	39%
1	13%
2	18%
3	12%
4	5%
5 - Would definitely like to see	12%

Q13H. Monsoon showers

0 - Wouldn't like to see	27%
1	6%
2	13%
3	19%
4	11%
5 - Would definitely like to see	25%

Data Set – User Survey (sample size 143)

Age	
16 - 30	21%
31 - 50	52%
51+	28%

2 Gender	
Male	33%
Female	67%

3 Which of the following have you heard of? (Press and hold CTRL to select more than one)

Cedar Falls Health Farm & Spa	36%
Buff Urban Day Spa	14%
Hermes Health Studio	10%
The Mount, Somerset	13%
Virgin Active Health Club	15%
The Wellbeing Day Spa	3%
Victoria Day Spa	1%
The Cleve	11%
Somerset Country Escape	1%
Other	2%
None of the above	1%

Other - Please specify facility

4 Which spas have you used in the last 3 months? (Press and hold CTRL to select more than one)

Cedar Falls Health Farm & Spa	15%
Buff Urban Day Spa	15%
Hermes Health Studio	1%
The Mount, Somerset	5%
Virgin Active Health Club	4%
The Wellbeing Day Spa	0%
Victoria Day Spa	0%
The Cleve	2%
Somerset Country Escape	0%
Other	8%
None of the above	54%

Other - Please specify facility

5 Do you use any of these on a regular basis, as least once a month? (Press and hold CTRL to select more than one)

Cedar Falls Health Farm & Spa	3%
Buff Urban Day Spa	8%
Hermes Health Studio	2%
The Mount, Somerset	1%
Virgin Active Health Club	2%
The Wellbeing Day Spa	0%
Victoria Day Spa	1%
The Cleve	2%
Somerset Country Escape	0%
Other	3%
None of the above	80%

Other - Please specify facility

6 If a new pool was developed at Blackbrook Pavilion how likely would you be to use it?

Very likely	64%
Quite likely	22%
Not at all likely	7%
Not sure/don't know	7%

7 If Very or Quite, how often would you be likely to use it?

1 At least once a week	66%
2 At least once a month	25%
3 Once every few months or less	9%

Spa

Tone Leisure, who operate leisure facilities on behalf of Taunton Deane BC, are considering developing a new spa at Blackbrook Pavilion. The spa would include:

Hydrotherapy (spa) pool, steam room, aromatherapy room, treatment /therapy rooms (for facials, massage etc.), heat treatment rooms (such as sauna/solarium), foot spa, ice fountain, monsoon showers, as shown in the video.

8 If a new spa was developed at Blackbrook Pavilion how likely would you be to use it?

Very likely	46%
Quite likely	31%
Not at all likely	11%
Not sure/don't know	12%

9 If Very or Quite, how often would you be likely to use it?

At least once a week	34%
At least once a month	43%
Once every few months or less	23%

10 If you currently use a spa on a regular basis would you consider using a facility such as this rather than where you currently use?

Yes, definitely	56%
Possibly	35%
Probably not	9%

11 For a facility like this how much would you pay and feel that you were getting good value for money. You could stay for up to 3-4 hours in the facility but this charge would not include treatments such as massage or facials.

£7 - £10	53%
£10.01 - £15	23%
£15.01 - £25	22%
£25+	2%

Out of the following which facilities would you most like to see in this new spa facility? On a scale of 0 to 5 where 0 is wouldn't like to see and 5 is would definitely like to see.

12 Hydrotherapy (spa) room

0	2%
1	1%
2	4%
3	16%
4	19%
5	58%

13 Steam room

0	4%
1	1%
2	5%
3	13%
4	17%
5	60%

14 Aromatherapy room

0	7%
1	9%
2	14%
3	16%
4	18%
5	36%

15 Heat treatment rooms (sauna, solarium)

0	5%
1	4%
2	5%
3	15%
4	14%
5	57%

16 Treatment/therapy rooms (facials, massage etc.)

0	6%
1	6%
2	10%
3	15%
4	17%
5	46%

17 Foot spa

0	10%
1	12%
2	13%
3	21%
4	18%
5	26%

18 Ice fountain

0	14%
1	17%
2	11%
3	25%
4	11%
5	21%

19 Monsoon showers

0	4%
1	10%
2	12%
3	21%
4	20%
5	33%

Appendix F

Equality Impact Assessment – New swimming pool provision at Blackbrook

Responsible person	Alison North	Job Title: Community Leisure Manager
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service	Yes
	Change to Policy or Service	
	Budget/Financial decision – MTFP	
	Part of timetable	
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	The Council is considering construction of a new swimming pool and learner pool on the side of Blackbrook Pavilion as well as upgrading Station Road pool and decommissioning St James Street pool.	
Section One – Scope of the assessment		
What are the main purposes/aims of the policy?	<p>The aim is to protect local authority swimming provision within Taunton.</p> <p>The current facilities are dated or failing and St James Street in particular does not comply with the Disability Discrimination Act or Safeguarding of the young regulations.</p>	
Which protected groups are targeted by the policy?	The provision of swimming will affect people in the following protected groups: Age, Disability, Race, Sex, Sexual Orientation, and Transgender.	
What evidence has been used in the assessment - data, engagement undertaken –	Data has been gathered from Sport England, in particular 'Building Affordable Community Swimming Pools, from the Amateur Swimming Association, from local data collected to inform Sport England's Facilities Planning Model Strategic Assessment of Needs for Sports Halls and Swimming Pools report	

<p>please list each source that has been used</p> <p>The information can be found on....</p>	<p>in 2009. Additional information has been gathered from public consultation, most recently in 2005.</p> <p>Further work will be required to engage and consult with protected groups and the wider public to better understand the impact of proposed provision.</p>
<p>Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality</p>	
<p>Groups with protected characteristics could benefit from a new provision since any new building will need to be fully compliant with the Disability Discrimination Act and other current legislation to protect the needs of those groups.</p> <p>Safeguarding of the young is also a priority and will be covered within the pool design. Plans also include poolside spectator seats for family members/guardians.</p> <p>Blackbrook is in an area of the town without current swimming provision and this could make swimming available to more people in protected groups, in particular older people without access to transport and those with mobility problems that live close to this provision but cannot access the town centre.</p> <p>If the Blackbrook pool proceeds, TDBC will have one pool in the centre of town and one on the outskirts. Blackbrook is located within a highly populated residential part of Taunton and the site will have free parking, to include additional Blue Badge Holder parking.</p> <p>The new pool designs include village changing rooms; these are communal facilities which have varying sized changing rooms allowing groups and families to change together. They also have individual lockable cubicles for those on their own and provide increased privacy to everyone.</p> <p>There are no perceived negative outcomes at this stage as swimming provision will remain in the town centre as well, although it is acknowledged that the accessibility of Taunton Pool could be improved.</p>	

I have concluded that there is/should be:	
No major change - no adverse equality impact identified	No adverse impact identified at this stage. To be kept under review through life of project.
Adjust the policy	
Continue with the policy	
Stop and remove the policy	
Reasons and documentation to support conclusions The engagement activity with the affected group will identify any impacts which are unforeseen by the project team at this time.	
Section four – Implementation – timescale for implementation	
The project is intended to be completed within 2 years of the formal approval of recommendations to build.	
Section Five – Sign off	
Responsible officer: Date:	Management Team Date
Section six – Publication and monitoring	
Published on	
Next review date	Date logged on Covalent

Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Service area	Swimming pool provision		Date	6 th August 2012		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions	
Ensure that protected characteristic groups remain at the forefront of planning throughout project management phase	Ongoing monitoring and appraisal of Equalities Impact Assessment and distinct area of work within risk register.	Project group	Ongoing	Councillor/CMT overview	Protected groups' needs will be properly considered within the outcomes of the new facility beyond the obvious legal requirements.	
Identify further needs of protected groups in drawing up full business case	Consideration of all protected groups when drawing up full business case.	Project group	April 2013	Corporate scrutiny and project group	As above	

Appendix G Risk and Issues Register:

Swimming Pools Project

Risk No.	Date raised	Risk / Issue description and effects	Risk or Issue	Category	Risk Owner	Existing Control Measures	Current Assessment		Score	Proximity	Movement ↓ ↑ ↔	Risk / Issue Response Action	Target score (post response)		Score
							Probability	Impact					Probability	Impact	
Unique Ref No.	The date that the risk or issue was originally raised	RISKS - Identified risks must be described in a way so that they can be understood by stakeholders. A useful way of expressing each risk is to consider: RISK CAUSE: this is the source of the risk, ie the event or situation that gives rise to the risk (risk drivers - possibly identified from SWOT analysis, or PESTLE). RISK EVENT: describes the area of uncertainty in terms of the threat or opportunity (using 'may' or 'might' here is helpful). RISK EFFECT: describes the impact that the risk would have on the Theme / Service should the risk materialise. ISSUES - these are relevant events that HAVE HAPPENED, were not planned, and require management action. Issues can be problems or just situations that have occurred (eg a query or change request). The key point is that they need management action to limit the adverse effect of a problem.	Use the drop-down list to select: Risk; or Issue	Use the drop-down list to select: Strategic; Project; or Operational	The named individual with responsibility for the management & control of all aspects of the risks/issues assigned to him/her, including the implementation of the actions to address the risks/issues	Before conducting your assessment (scoring) of the risk, it may be useful to consider and capture any controls already in place. This should aid understanding of the current level of risk. If there are no control measures in place at all, (ie no action is currently being taken to change the probability or impact) - then the risk assessment will be on the basis of the 'inherent' (uncontrolled) risk.	This is the estimated chance of this risk actually occurring. Select from the drop-down list: Very Unlikely (1) Slight (2) Feasible (3) Likely (4) Very Likely (5) Please refer to the Probability Scale in the Risk Management Strategy. NB - Probability does not apply to Issues.	This is the estimated effect on one or more objectives of the risk actually occurring. Select from the drop-down list: Insignificant (1) Minor (2) Significant (3) Major (4) Critical (5) Please refer to the Impact Scale in the Risk Management Strategy.	Prob x Impact = score Eg. 3 (Feasible) x 4 (Major) = Risk Score 12	Most risks are time based and not constant. Try to estimate WHEN the risk might occur (record as a date or date range). This helps identify the impending urgency, and required trigger & timing of the risk response.	To be used after a review of the risk register. This column allows you to show whether a risk has changed (increased, decreased) or stayed the same since the last review of the Risk Register. Please select from the drop-down list: ↔ ↓ ↑	Risks that are important or urgent enough to warrant investment in action must be responded to in the appropriate way. A brief description of the key actions to reduce the probability and/or impact of the risk can be entered here. If the Risk Score is between 15 and 25, this is considered to be above our 'Risk Tolerance Line', and therefore must trigger an escalation and be subject to a Risk Response Action. NB - a separate Risk Response Action Plan template is available should there be a need for more detailed action planning. Generic risk responses are: AVOID (remove the threat) REDUCE (definite action to change the probability and/or impact of the risk) TRANSFER (pass part of the risk to a 3rd party) SHARE (pain/gain share basis with multiple parties) ACCEPT (we will 'take the chance' that the risk will occur, with its full impact if it does) CONTINGENCY PLAN (prepare plans now, but not taking action now) NB - include any reference here to specific actions within your Theme / Service Plan (or Scorecard), and/or Operational Plan	If the response plan is expected to be successful, assess the 'residual' risk (probability) here as a 'target' risk score	If the response plan is expected to be successful, assess the 'residual' risk (impact) here as a 'target' risk score	Prob x Impact = score Eg. 3 (Feasible) x 4 (Major) = Risk Score 12
1	01/03/2013	Potential for procurement costs to spiral if not clearly defined and scoped	Risk	Project	TDBC Project Lead	Cost confidence to RIBA Stage C from Saunders Boston	Feasible(3)	Significant(3)	9	July 2013 to April 2014					
2	01/03/2013	Affordability	Risk	Project	Project Sponsor	Business Case for investment options being prepared	Slight(2)	Major(4)	8	Apr-13					
3	01/03/2013	VAT costs may be irrecoverable and/or the Council's partial exemption threshold may be exceeded resulting in significant additional costs to the authority	Risk	Project	Project Sponsor	The Council has obtained external VAT advice from LAVAT Consulting Ltd , and proposes to make a submission to HMRC to seek a ruling on VAT treatment for leases within scope of the project	Slight(2)	Major(4)	8	Apr-13					
4	01/03/2013	Operator's business modelling/forecasting regarding pool running costs and income generation is not sound	Risk	Operational	Operator	FMG have challenged the operators business models and issued their OBC report	Slight(2)	Major(4)	8	Apr-13					
5	01/03/2013	Project needs to align to refurbishment at Taunton pool and closure at St James St	Risk	Operational	Operator	Joint project working with TDBC and Operator	Feasible(3)	Significant(3)	9	April 2013 to April 2014					
6	01/03/2013	St James Street pool has to close without notice	Risk	Operational	TDBC & Operator	TDBC have a Structural Engineers Report and the Operator has a requested a H&S Risk Assessment - Both parties are working together	Feasible(3)	Major(4)	12	Apr-13					
7	01/03/2013	Affects to the business plan if more people want to use the new facility rather than Station Road	Risk	Operational	Operator	Station Road refurbishment will be completed in 2014 and will hopefully continue to attract numbers according to the Operators program modelling	Feasible(3)	Minor(2)	6	Once open					
8	01/03/2013	Project Governance and Organisational Capacity	Risk	Project	Sponsor	All major projects are reported on via the PMG group which feeds back to CMT	Feasible(3)	Significant(3)	9	Apr-13					
9	01/03/2013	Additional land requirements at Blackbrook - Hawkins family trust	Issue	Project	Tonya	Swone have provided an indication of land values for the site ahead of any meeting with the Hawkins Trust. We have suggested the new pool is named after the trust.	Feasible(3)	Critical(5)	15	Apr-13					
10	01/03/2013	Procurement of D&B timescales	Risk	Operational	TDBC & Operator	Swone are onboard and will continue to provide support. There is a forward plan in place.	Slight(2)	Significant(3)	6	April 2013 to April 2014					
11	01/03/2013	Legal Challenge	Risk	Project	TDBC	We have external legal advice from Leonie Cowen	Slight(2)	Major(4)	10	April 2013 to 2019					
12	01/03/2013	Managing Communications	Risk	Project	TDBC & Operator	Communicatiuon plan issued and regularly updated	Feasible(3)	Significant(3)	9	Apr-13					

15/05/2013, Report:Swimming Pool Provision in Taunton

Reporting Officers:Alison North

10/07/2013, Report:Financial Outturn Report 2012/2013

Reporting Officers:Paul Fitzgerald

10/07/2013, Report:Creechbarrow Road Development Update Report

Reporting Officers:James Barrah

Contains exempt information requiring private consideration: Yes

Exempt reason:The report may contain some commercially sensitive information.

10/07/2013, Report:Taunton Deane Corporate Business Plan

Reporting Officers:Simon Lewis

10/07/2013, Report:Community Infrastructure Levy Instalment Policy

Reporting Officers:Phil Bisatt

10/07/2013, Report:Land at Creedwell Orchard Housing Estate, Milverton, Taunton

Reporting Officers:Joy Wishlade

Contains exempt information requiring private consideration: Yes

Exempt reason:The report contains commercially sensitive information throughout.

10/07/2013, Report:Extension of Somerset Aster Living Care and Repair Contract

Reporting Officers:Simon Lewis

07/08/2013, Report:Planning toolkit for handling large scale and complex development proposals

Reporting Officers:Tim Burton

13/11/2013, Report:Review of the Statement of Community Involvement

Reporting Officers:Ann Rhodes

Executive – 15 May 2013

Present: Councillor Williams (Chairman)
Councillors Cavill, Edwards, Hayward, Mrs Herbert, Mrs Stock-Williams and Mrs Warmington

Officers: Penny James (Chief Executive), Shirlene Adam (Strategic Director), Joy Wishlade (Strategic Director), Alison North (Community Leisure Manager), Paul Fitzgerald (Financial Services Manager, Southwest One), Chris Hall (Theme Manager Community and Commercial Services), Sue Tomlinson (Project Manager), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager and Corporate Support Lead)

Also present: Councillors Mrs Allgrove, Mrs Baker, Beaven, Bishop, Bowrah, Coles, Denington, Farbahi, Mrs Gaden, Gaines, Hall, C Hill, Mrs Hill, Horsley, Hunt, Miss James, R Lees, Mrs Lees, Ms Lisgo, Meikle, Morrell, Nottrodt, Ms Palmer, Prior-Sankey, D Reed, Mrs Reed, Ross, Gill Slattery, T Slattery, Mrs Smith, P Smith, Watson, A Wedderkopp and D Wedderkopp

(The meeting commenced at 6.15 pm.)

24. Apology

Councillor Mrs Adkins.

25. Minutes

The minutes of the meeting of the Executive held on 13 March 2013, copies of which had been circulated, were taken as read and were signed.

26. Public Question Time

Councillor Prior-Sankey reported that Somerset County Council had allocated only £28,000 for Highways Grass Cutting in Taunton Deane during the current financial year. This would result in only two cuts of the highway verges and some additional safety cutting compared to the five cuts which had been funded by the County Council last year.

The impact of this reduction in finance was already apparent with long grass alongside many of the main routes in Taunton Deane and a great deal of public criticism.

Councillor Prior-Sankey was aware of some Parish Councils already seeking to augment the situation by funding some additional local grass cutting and asked whether consideration could urgently be given to some funding being released from the Unparished Area Fund to meet the cost of two further cuts in Taunton. This was likely to be in the region of £20,000.

In response, both the Chairman and the Portfolio-Holder, Councillor Mrs Herbert, expressed their disappointment at the amount of money the County Council had allocated for grass cutting and confirmed that they were looking at options to provide additional funding for this purpose.

27. **Proposal to build a Swimming Pool at Blackbrook Pavilion Sports Centre, Blackbrook Way, Taunton**

Reference Minute Nos. 37 and 68/2012, considered report previously circulated, which detailed work which had been undertaken with Tone Leisure since September last year in relation to the options for future swimming pool provision in Taunton.

The Project Team had been working on the following project objectives:-

- To produce a detailed Business Case for the provision of a new Swimming Pool Facility at the agreed site of Blackbrook with the decommissioning of St James Street Pool - Including how this could be funded and procured;
- A suitable renovation of Station Road Pool to increase the life of the facility by 15–20 years; and
- Optimisation of swimming activities for the community now and in the future

To support the detailed Business Case, external expertise had been commissioned by Taunton Deane, an executive summary of which was included with the report.

Reported that as far as the Station Road Pool was concerned, an application to Sport England had resulted in £497,802 being awarded to the Council last month towards the refurbishment of the pool. Added to the £770,000 from unallocated capital receipts the Council had allocated to the project, the scope of the refurbishment would consist of:-

- Pool Side;
- Changing Facilities;
- Reception; and
- Pool Plant Equipment.

Work had already begun on the detailed design and procurement with an anticipated start time of October/November 2013. Councillors would be updated on the project as it progressed.

Noted that one of the criteria that the application to Sport England had to meet was an increase in participation figures. This had included the whole pools project scheme of the closure of St James Street and the opening of a new pool.

If the new swimming pool was not proceeded with then swimming participation figures would be lower than those currently. Sport England had indicated that they would need to work closely with the Council to manage this and, there was a small risk that Sport England might claim some of its funding back.

St James Street was an Edwardian Pool reaching the end of its life as an adequate Swimming Pool provision. In order for the pool to remain operational and meet modern day standards a significant amount of spend would be required to rebuild the pool/building. Full details of the work which would be required was submitted. In economic terms this would not make sense.

Now that the detailed Business Case work had been completed there were three

questions for the Executive to consider:-

- Based on the findings, did the Council wish to proceed with the build of a new swimming pool?
- Did the Council wish to support the Business Case with an extra income generating activity of a Spa?
- Was the chosen option affordable and would the Council agree to the finance option?

The production of the Business Case had been a detailed and complex process and had been modelled on four options to provide a detailed evaluation. These were taken from a list which included no investment in Station Road for refurbishment and the closure of St James Street with no future plan. It had been concluded that, through the work of the Task and Finish Group and previous research, doing nothing was not an option for either of these pools.

The four options modelled are as follows:-

4a	Closure of St James Street Pool leaving Station Road Pool (including the £1,270,000 refurbishment) and no new pool at the Blackbrook site.
4b	Closure of St James Street Pool leaving Station Road Pool (including the £1,270,000 refurbishment) and a boom to create a teaching pool (additional cost £200,000) to be included and no new pool at the Blackbrook site.
5	Closure of St James Street Pool leaving Station Road Pool (including the £1,270,000 refurbishment) and a new pool at Blackbrook site.
6	Closure of St James Street Pool leaving Station Road Pool (including the £1,270,000 refurbishment) and a new pool and Spa facility at the Blackbrook site.

These options had been modelled covering capital costs, operating income and expenditure, building life cycle costs and the potential loss of income claims for Station Road and St James Street.

The costed design for a potential pool would provide a facility that met modern day standards operationally and would provide a greatly enhanced customer experience.

The capital cost for this was estimated at £4,400,000. For information, Sport England's data base of nationwide schemes provided a figure of £4,700,000 capital cost for a pool and learner pool of this size.

If Councillors wished to proceed with a new pool facility there was an opportunity to support the Business Case further with an income generating facility - a Spa. The total Capital Cost including a Spa was estimated at £5,400,000.

The current proposal would not increase the amount of available water space. If a new Pool was not built and St James Street was decommissioned this would leave the Council with one pool to service the community. Presently St James Street Pool

accommodated all of the swimming lessons and club sessions. If these had to be transferred to Station Road Pool then there would be a significant impact on the available public swimming for members of the public.

Further reported that the design of a new swimming pool at Blackbrook would provide the following facility:-

- 25m x 6 lane swimming pool;
- 25 pool side spectator seats;
- 8 x 12m learner pool;
- Changing village;
- Viewing area;
- Café/kitchen;
- Receptions and entrance arrangement;
- Building plant;
- Office accommodation;
- Storage;
- First Aid room;
- WC accommodation; and
- Parking – 57 spaces and 7 blue badge holder spaces.

The Project Team had commissioned independent research of current users and the wider community to gauge attitudes towards a Spa proposal. The key findings could be summarised as follows:-

Non user/Community

- Blackbrook Pavilion was the leisure facility with the widest awareness in the community;
- 47% would very likely use a Spa; and
- Most popular choices of Spa facilities people would like to see were heat treatment, steam rooms, hydro therapy pool and treatment rooms.

Existing Users

- 46% would very likely use a Spa;
- 56% would definitely use a Spa at Blackbrook; and
- Most popular choices of Spa facilities people would like to see were heat treatment, steam rooms, hydro therapy pool and treatment rooms

A range of funding mechanisms had been considered by the Project Team, including potential access to external finance through delivery by a developer, through to a more traditional use of the Council's own capital resources and prudential borrowing.

The funding options were closely linked to the Procurement Strategy and the Business Case had therefore been prepared on the basis of using a combination of revenue resources (Earmarked Reserves and General Reserves), capital receipts, and prudential borrowing.

Reported that it has previously been envisaged that Tone Leisure would be able to procure any contracts if this project was given the go ahead. However what had become clear was that the Council would be underwriting the contracts and therefore

the Council would be inextricably linked to the procurement of any new facility. In these circumstances the Council, rather than Tone Leisure, would have to manage the procurement of the contracts.

The Executive went on to consider the lease and funding arrangements for both the Blackbrook Pavilion and the St James Street Pool and what the likely future service provision would comprise.

Noted that contact had been made with the solicitors acting for the Hawkins Family Trust to explore the release of some more land to the Council should it be required to enable the new swimming pool to be constructed. The solicitor had confirmed that the family would be agreeable, subject to suitable recompense.

The key financial implications of the project were sent out in detail in the report and covered the following:-

- (a) Capital Expenditure and Funding Sources;
- (b) Other Capital Considerations;
- (c) Revenue Implications and Affordability;
- (d) Impact on Funding for Leisure Operator; and
- (e) Leisure Asset Maintenance Costs.

Further reported that the Business Case had assumed that the Council would be able to recover the Value Added Tax (VAT) costs on the capital investment. This was based on the lease of the buildings to the operator at a peppercorn rate with no consideration value (cash or non-cash) received in return.

However, consideration had also been given to the potential risks around VAT partial exemption, and specialist advice had very recently been obtained in respect of the lease of the Blackbrook Pavilion Sports Centre and the potential new pool / spa.

The advice had concluded that there were potential VAT risks that could be material to the affordability of the project, and it had been recommended that a submission to Her Majesty's Revenues and Customs should be developed confirming the Council's assessment of the nature of the transactions.

Dependant on if the decision was made to proceed to the next stage the following steps and funding would be required.

This was a major capital project for the Council and as such would require adequate resource in terms of capacity and skill level to ensure it was delivered safely. It was proposed that a Project Team working in partnership with Tone Leisure should be formed and that external expertise was procured when required.

The first stage of the project would be to prepare to procure. It was proposed that external expertise from Leisure Consultants was utilised to support the Council as follows:-

- (a) Preparation of options and proposals to develop a clear brief to prepare a detailed design;
- (b) Support the Council in the establishment of a Project Team overseeing the procurement and contract works; and
- (c) The consultants would be expected to work alongside the Council and Tone Leisure complementing capacity and capability that the team would be able to bring to the project.

The proposed resources for the next stages of the project were as follows:-

Role	Who	Cost (Est) £
TDBC Lead	Alison North, Community Leisure Manager	
Finance	Paul Fitzgerald, SWOne Finance	
Procurement	SWOne Procurement	
Legal	External expertise, Leonie Cowen and VAT Advice from LAVAT	100,000
Operator Lead	Tone Leisure	
Leisure Procurement Advice	External Leisure consultancy expertise	50,000
Contingency		50,000
TOTAL		200,000

It was recommended that this was funded from the Leisure Asset Maintenance earmarked reserve.

When this issue was considered by the Corporate Scrutiny Committee at its meeting on 25 April 2013, the Committee's recommendations were that:-

- All were in favour of the proposal to build a new swimming pool at Blackbrook;
- Members were against the proposal of building a Spa; and
- £200,000 should be taken from the Leisure Asset Maintenance Reserve to pay for the 'next steps' set out in the table above.

During the discussion of this topic, the Executive took the view that the replacement of the pool at St James Street was essential and that the construction of a new swimming pool at the Blackbrook Pavilion Sports Centre should be supported. The Executive was also of the view that the opportunity should be taken to provide a Spa facility in conjunction with the new pool which was likely to prove very popular and would provide a further income generating facility.

Resolved that Full Council be recommended that:-

- (1) Option 5 - Closure of St James Street Pool to leave the Station Road Pool (including the £1,270,000 refurbishment) and the provision of a new pool at the Blackbrook Pavilion Sports Centre, Blackbrook Way, Taunton, be supported;

- (2) A Spa facility be also provided in conjunction with the new swimming pool;
- (3) A Supplementary Estimate of £4,370,000 (£5,353,000 if the Spa facility was also approved) be approved in the General Fund Capital Programme, for the capital costs involved, with related approval to allocate £1,500,000 from the Growth and Regeneration Reserve and £1,500,000 from General Reserves towards the funding of the capital costs, with the balance to be funded through borrowing;
- (4) £200,000 from the Leisure Asset Maintenance Reserve be approved to take the project forward to the next stage; and
- (5) Officers be requested to prepare a submission to Her Majesty's Revenues and Customs (HMRC) to confirm the VAT position of the project. In the event that estimated costs of the project were increased as a result of advice from HMRC, the Business Case be updated and resubmitted to Members for consideration, prior to commencement of any procurement for capital works.

28. **Executive Forward Plan**

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 7.43 pm.)