

Executive – 11 April 2012

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

Officers: Shirlene Adam (Strategic Director), Simon Lewis (Strategy and Corporate Manager), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager).

Also present: Councillors Morrell and A Wedderkopp

(The meeting commenced at 6.15 pm.)

34. Apologies

Councillors Cavill and Edwards.

35. Minutes

The minutes of the meeting of the Executive held on 14 March 2012, copies of which had been circulated, were taken as read and were signed.

36. Public Question Time

Councillor A Wedderkopp asked the Chairman for assurance that neither he nor his fellow Executive Councillors had given instructions to Tone Leisure that the maintenance budget for the swimming pool at Station Road was not to be spent?

Councillor Williams confirmed that he had given no such instruction. The Portfolio Holder, Councillor Mrs Herbert, reported that Tone Leisure was currently assessing its essential maintenance requirements at the swimming pool for the current financial year, but she too was unaware of any plans not to spend anything on maintenance.

Councillor Wedderkopp also referred to the question about the opening of both of the side gates at the main entrance to Vivary Park, Taunton which he had asked at the last meeting. Since then, the situation where only one of the gates being open at weekends had continued. He asked when this situation would be resolved?

Councillor Mrs Herbert confirmed that she had taken the issue up with the Parks Department following the meeting in March, but clearly further words would be necessary. She asked Councillor Wedderkopp to let her know as soon as possible if the issue continued, rather than wait until the next Executive meeting.

37. Update on the proposal to build a swimming pool at Blackbrook Pavilion Sports Centre, Taunton and refurbish the Station Road Pool

Considered report previously circulated, concerning proposals to build a swimming pool at Blackbrook Pavilion Sports Centre, Taunton and refurbish the Station Road Pool.

A Task and Finish Group had been established in 2010 to investigate options and identify the best way forward to deliver a new pool in Taunton and retain adequate swimming facilities.

The Group's recommendations, which had been accepted by the Executive in July 2011, were to undertake a detailed business case to:-

- (a) Undertake essential works at Station Road Pool to keep it operational and viable for a further 15-20 years, with an estimated cost of £1.5m to £1.8m; and
- (b) Build a new 'no frills' 25 metre pool with smaller teaching pool onto the side of Blackbrook Sports Pavilion using design and build designs similar to those used at Ivybridge, Devon and estimated to cost between £2m and £2.5m;
- (c) These recommendations were made on the assumption that St James Street Pool would be decommissioned and sold due to it reaching the end of its operational life.

Reported that in progressing the project and building the business case, the following had been achieved to date:-

- A project brief had been developed, a copy of which had been circulated to Members;
- The Sport England 'Affordable Community Swimming Pools' guidance had been reviewed;
- Meetings had been held with:-
 - the Amateur Swimming Association (ASA) to discuss how to progress the project in a cost effective manner;
 - other Councils who had commissioned and delivered pools, to identify the best path forward. These included Thanet District Council, Calderdale Council and Spiceball Leisure Centre, Banbury;
 - Consultants who had been involved in 'turnkey' projects and 'borrowing through a Leisure Trust'; and
 - Passivhaus architects who had designed a 'Passiv Pool' in Exeter to understand the potential for a similar environmentally friendly scheme at Blackbrook.

As a result of the meetings referred to above and further research, three types of model to provide a new pool had been identified:-

- (a) **The traditional procurement using a swimming pool 'framework'** - Sport England had produced a very helpful toolkit designed to help project teams develop swimming pools that were "attractive, safe and secure". The basis for these pools was a "simple, compact and functional building". Their benchmark construction costs for a 6 lane pool with a learner pool was £3.4m, excluding VAT however this was likely to increase to £4.7m once contingencies,

professional fees, allowances for external works and incoming services were factored in.

Noted that the cost of a pool at Blackbrook would be expected to be somewhat less than the Sport England benchmark as it would be built on to the side of an existing sports centre, thus sharing some features such as the reception.

Using a Government procurement framework and a 'Single Stage Design and Build' procurement route it was possible that the project could be completed within 24 months of the decision to procure.

- (b) **The 'turnkey' approach** – The ASA had confirmed that there were models of procurement and examples of new-build pools around the country which had been built for significantly less than the Sport England benchmark price, largely through reducing the procurement and consultant costs and through adopting a design and build approach.

The ASA believed that if the right approach was chosen a £2.5m pool might still be achievable. However they advised the Council to continue to reference the Sport England build price as a benchmark to be prudent.

A potential model was to use a specialist contractor who would provide a 'turnkey' solution, which would typically include Design and Build and then project managing and overseeing the contractor delivering the pool. Such a pool would be perfectly functional and would comply with European standards but would be 'no frills'.

Reported that the Community Development Lead had recently met with a consultant who specialised in providing swimming pool 'turnkey' services at Calderdale, Halifax where a competition status pool was six weeks from being completed. The consultant provided assurance that a pool could be built for under £2.5m over a '42-44 week period'.

- (c) **Borrowing through the Leisure Trust** - A model used by Thanet District Council and Burnley Borough Council had been for the Council to underwrite Prudential Borrowing by the Leisure Trust.

In Thanet, its leisure trust had worked in partnership with Alliance Leisure to model operational savings from closing an existing defunct pool and additional income from building a new pool onto an existing leisure centre. The model showed that it would not be possible to pay back the money borrowed unless additional complementary leisure facilities which subsidised the swimming were also built, including a Spa, treatment rooms and toning facilities.

Financial modelling on this basis showed that the leisure centre would earn sufficient money to repay the £3.5m loan and reduce the Council's ongoing contribution (allowing the additional contribution to be used to renovate another run-down pool in the District). Apart from an initial short-term loan, the Council believed that it would be able to realise these facilities at zero cost to itself. A similar approach could be modelled and tested at Blackbrook Sports Centre.

The Task and Finish Review had identified a range of potential funding methods, including use of maintenance budgets, capital receipts, Community Infrastructure Levy, external grants and borrowing. However, unless a specific funding source could be identified for this project, the assumption would need to be that the funding would have to be obtained through borrowing.

A steer had been requested by the Corporate Scrutiny Committee to set a ceiling on how much it would support the Council borrowing to fund a new pool at Blackbrook Sports Centre and to renovate and refurbish the Station Road Pool.

For theoretical modelling purposes, this could range from £2m to £7m and an assumption of a 20 year loan period has been used in the table below. The £2m scenario would be for renovation of Station Road Pool alone (assuming a new pool could be built by borrowing through the Leisure Trust at zero cost to the Council). The £7m scenario would be this, plus a £4.7m traditional procurement cost of building a new pool, using the Sport England benchmarks.

| Amount Borrowed | £2m | £3m | £4m | £5m | £6m | £7m |
|-----------------------------------------|------------|------------|------------|------------|------------|------------|
| Interest rate* | 3.35% | 3.35% | 3.35% | 3.35% | 3.35% | 3.35% |
| Annual Repayment (principal + interest) | £138,000 | £207,000 | £276,000 | £345,000 | £414,000 | £483,000 |
| Total Repayment (principal + interest) | £2,760,000 | £4,141,000 | £5,521,000 | £6,901,000 | £8,281,000 | £9,661,000 |

It had become clear that to progress this project, independent business modelling would be required to understand the amount of borrowing which would be sustainable and repayable through the operation of a new pool.

A new pool at Blackbrook with a flexible swimming programme would be expected to increase the footfall of paying customers for both swimming and other leisure activities at the sports centre. There would also be a significant reduction in operational costs, through decreased utility bills, staffing costs and renovation at St James Street Pool.

It was therefore recommended that consultants be engaged to work with Tone Leisure to model demand, income and costs under this scenario and other potential scenarios with additional complementary leisure facilities. Expert advice would also be required to evaluate capital borrowing options and advise on procurement models. Discussions with the ASA had suggested that this work could cost up to £20,000.

It had also become clear that a project of this nature, when considered alongside the Station Road requirements required significant officer resource and could not be properly advanced as part of the day-job. It was further recommended that an

officer resource be allocated to progress this project. An outline of the role of this officer was submitted for the information of Members.

Further reported that the project would require appropriate governance which promoted proper reporting and scrutiny and robust approval of key decisions. Details of a suggested model were also submitted.

When this matter was discussed at the meeting of the Corporate Scrutiny Committee on 22 March 2012, Members supported the recommendation that the Council should use £20,000 funding from the Capital Maintenance Reserve to undertake business modelling. The Committee also proposed that a further report should be brought back for consideration recommending a project to take forward, during which further funding requests for capacity would be considered and a decision could be made on a funding ceiling.

Resolved that:-

- (1) The continued commitment to the recommendations of the Task and Finish Review to fund the total cost of building a new pool at Blackbrook Sports Centre, Taunton and to refurbish Station Road Pool be confirmed;
- (2) The allocation of £20,000 from the Leisure Asset Maintenance Reserve be approved to appoint consultants to undertake operational modelling and to obtain independent borrowing and procurement advice. This sum would also fund an estimated £2,000 for additional Finance support from Southwest One.
- (3) A further report be presented to the Executive at its meeting in July 2012 following business modelling that would recommend a specific project to take forward and a funding ceiling. At this point, consideration would also be given to funding capacity and the incorporation of Passiv Principles to progress the project through to completion.

(Councillor Mrs Stock-Williams declared a prejudicial interest in the following item as a Trustee of the Citizens Advice Bureau (CAB). She stated that she would leave the meeting if there was any specific discussions about the CAB.)

38. Taunton Deane Borough Council's Voluntary and Community Sector Spending Review

Reference Minute No. 119/2011, considered report previously circulated, concerning the proposed establishment of a Grants Panel to consider the distribution of future funding to the Voluntary and Community Sector (VCS).

To assist the Authority in making decisions on future VCS funding options, a review of the VCS spending had been undertaken covering the period 2007-2012. This had provided an opportunity to revisit all organisations receiving funding to ensure outcomes supported the Council's own priorities. The main findings of the review could be summarised as follows:-

- (a) The performance of SLAs were not monitored consistently;

- (b) Some SLAs were awarded on an annual basis which was against the recommendation in the Somerset Compact funding code of practice which encouraged authorities to invest in long term funding for more than one year;
- (c) Shared criteria for eligibility had not been established;
- (d) Some SLAs and small grants did not have a scoring mechanism in place to monitor eligibility, spend and/or performance;
- (e) Administration of the various VCS budgets across the authority was time-consuming for both Taunton Deane and for VCS Organisations applying for repeat funding;
- (f) Some SLAs and all grant applications were assessed throughout the year meaning that administering applications was time-consuming and costly and did not allow applications to be judged in comparison to other bids;
- (g) Decision making processes were not consistent and not all applications went through the Member call-in process;
- (h) Some organisations were funded from several different budgets and there was no mechanism to bring these together into one agreement;
- (i) Match funding was not encouraged consistently; and
- (j) There was no mechanism in place to monitor match funded SLA agreements.

The timing of the review had been appropriate in that the majority of Service Level Agreement (SLA) arrangements were due to expire on 31 March 2012. The review had enabled more efficient ways of allocating resources to be considered and to look into best practise examples from other Somerset Authorities.

Noted that the Strategy Unit was currently negotiating new service specifications and monitoring arrangements for 2012/2013 with all eight organisations who had previously entered into SLAs.

At the Executive on the 7 December 2011 it had been agreed that a new Grants Panel should be established with the aim of introducing a more transparent and effective Council-wide system of allocating resources to the Voluntary Sector. The proposed new process would have an impact on the way in which all services in Taunton Deane awarded funding payments to the VCS from 1 April 2013.

The establishment of the panel would enable grants such as VCS small grants, the Youth Initiatives Fund and Arts Development grants, to be assessed simultaneously and in relation to each other.

The proposed aims, role, membership, responsibilities, and governance procedures of the Grants Panel were as follows:-

Aims of the proposed Grants Panel

- To introduce a single, transparent and efficient way of allocating grant aid across the Authority;
- To reduce the cost of administration in processing applications;
- To align application and award processes across the authority;
- To ensure all VCS organisations were treated fairly and equally;
- To ensure that Taunton Deane was compliant with the Somerset Compact; and

- To ensure value for money by reducing duplication and ensuring effective delivery of the Council's Corporate Aims through Voluntary Sector resources.

Role of the proposed Grants Panel

- To recommend funding arrangements for VCS organisations via 3 year SLA agreements from 2013 to 2016;
- To agree the criteria and scoring mechanism for small grant and/or SLA funding across the authority;
- To assess grant applications in a fair and measured way, to ensure funding decisions were transparent;
- To recommend and agree twice yearly the allocation of small grants;
- To identify duplication of grant or SLA applications across the authority and where possible form single agreements; and
- To monitor all service level and small grant agreements twice yearly to ensure the effective use of Council resources

Membership

- One nominated officer from each of the following service areas; Economic Development, Housing, Strategy and Community Development;
- Three Conservative Councillors - The Executive Portfolio Holders for Economic Development, Housing and Community Leadership;
- Two Liberal Democrat Councillors - The shadow Portfolio Holders for Community Leadership and Housing or Economic Development; and
- One nominated Labour or Independent representative.

Supporting Roles

- Business Support – Administration of meetings, grant applications and payments; and
- SouthwestOne Strategic Procurement Service – Advice on contractual arrangements.

Responsibilities - General

- Agree the terms of reference for the Grants Panel, including nomination of a Chairman;
- Agree Governance procedures;
- Agree a process and timescale for bidding and the allocation of funding;
- Agree a process and timescale for monitoring SLA and small grant agreements;
- Agree administration procedures with the Business Support Service;
- Carry out six monthly monitoring of any grant or SLA funding as specified in the SLA or grant agreement; and
- To communicate with VCS organisations throughout the application, award and monitoring processes.

Service Level Agreements

- To agree a generic SLA template which allowed for individual service specifications and monitoring arrangements to be added;
- Ensure contracts met legislative requirements in terms of procurement;
- Consideration of the risks involved in entering three year SLA contracts;
- Agree priority areas for allocating funding in line with the Corporate Strategy and Priority Areas Strategy; and
- Recommend the allocation of funding for 2013 – 2016.

Small Grants

- Agree a generic small grants application form, guidance and agreement allowing for specific criteria to be added depending on the purpose of the grant;
- Agree priority areas for allocating funding in line with the Corporate Aims and Priority Areas Strategy;
- Agree scoring and weighting mechanisms for assessing grant applications; and
- Recommend the allocation of funding at the end of each bidding round to the Portfolio Holder.

Governance

- The main reference documents for informing funding decisions would be the current Corporate Strategy, the Priority Areas Strategy and approved Service or Operational plans;
- The Grants Panel would be responsible for agreeing three year SLA funding for the period 2013 – 2016 across the authority and presenting these recommendations to the Executive for approval;
- The nominated Chairman (Conservative) will receive a casting vote;
- SLA funding recommendations would be scrutinised by the Community Scrutiny Committee prior to the Executive;
- The Grants Panel would be responsible for agreeing the allocation of small grants funding twice a year. The Panel would make recommendations to the appropriate Portfolio Holder; and
- Decisions on the allocation of small grant funding would be published in the Weekly Bulletin by the Portfolio Holder and would be subject to the normal call in process.

Meetings

- It was proposed that the Grants Panel meet for the first time in May 2012; and
- During May, June and July 2012 it was proposed that the Grants Panel agree their terms of reference, governance procedures, generic application forms and SLA template and administration procedures with Business Support. From July 2012 the meetings would be governed by the agreed application and awarding process.

During the consideration of this item, the situation relating to Neighbourhood Care was discussed. The Chairman confirmed that he would attempt to bring Ridgeway

Care and Repair and Neighbourhood Care together with the aim of providing a continuation of the service clients in Taunton Deane had received in the past from the latter organisation.

Resolved that the proposed specific arrangements for membership, responsibilities and processes of the Grants Panel, which would begin to operate during May 2012, be approved.

39. **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 7.10 pm.)