

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.)