

BABERGH DISTRICT COUNCIL

**FROM: Head of Leisure and Community
Services**

REPORT NUMBER **E81**

TO: STRATEGY

DATE OF MEETING 4 August 2005

HADLEIGH SWIMMING POOL

1. SUMMARY

1.1 The present Hadleigh Swimming Pool is nearing the end of its expected lifespan. The challenge of financing a new facility is probably one of the greatest presently facing the Council. Based on the information in this report Members are asked to determine whether, in principle, a new swimming pool in Hadleigh is affordable. It is proposed that the decision of the Committee would be fed into a special public meeting in Hadleigh at the end of August and the State of the District debates in September. In considering this report Members will be acting, not as Trustee of the Hadleigh Swimming Pool, but in their capacity as elected Members of Babergh District Council.

2. RECOMMENDATIONS

- 2.1 a) That the Committee determines the principle of whether or not a new swimming pool in Hadleigh is affordable.
- b) That the principle of affordability forms part of the debate at the State of the District Forums being held in September and the special public meeting in Hadleigh at the end of August.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

- 3.1 There are two financial implications for Members to consider.
- 3.2 The first is that a feasibility study into a new pool for Hadleigh will cost up to £30,000. This has been allowed for in the approved capital programme for the current financial year 2005/06.
- 3.3 The second is whether there is any point in committing up to £30,000 for the feasibility study if Babergh cannot afford the capital cost of a new pool. Based on the best information available a new 25 metre pool would cost £3.25M. If a pool of a different length and specification were agreed then this would result in the cost likewise varying.
- 3.4 Consideration has been given as to how this capital cost of £3.25m might be financed. At the invitation of this Council the Babergh East Local Strategic Partnership investigated other potential sources of funding but concluded that none were available. Under the current lottery funding programmes proposals for a new pool in Hadleigh would not meet the various criteria. This view has been confirmed by Suffolk County Council's external funding unit. The only other potential sources of capital funding are:-

- The possibility of a capital receipt should a supermarket on the Brett Works site in Hadleigh be approved, since the District Council (as well as Hadleigh Town Council) owns land that may be required for access purposes. However, this is neither guaranteed nor would any such sum be likely to account for more than a part of the estimated £3.25M.
 - The £300,000 in the General Fund Reserves which the Council has earmarked for future capital projects, such as Hadleigh Swimming Pool.
- 3.5 If for the time being it is assumed that a capital receipt will not be forthcoming, but that the Council would be prepared to use the £300,000 from reserves, the Council would need to borrow the balance of £2.95M.
- 3.6 The cost of borrowing would be £197,000 a year once the scheme is complete and that could be reduced by £29,000 a year to £168,000 if Hadleigh Town Council are prepared to contribute the amount they raised in 2005/06 for the pool on an annual basis.
- 3.7 An additional annual cost of £168,000 is equivalent to an increase of £5.20 a year (4.4%) in this Council's Council Tax charge for a Band D property. That increase would be phased over 3 years as the scheme progressed.
- 3.8 That level of increase needs to be considered in the context of the Council's other priorities and the need to find savings if the Financial Strategy of Council Tax increases at the rate of inflation is to be achieved.

4. **KEY INFORMATION**

- 3.1 Hadleigh Swimming Pool (a five lane, 25 metre facility) was built in 1970/71 and opened in July 1971. It cost £65,000 of which £20,000 was raised locally with the balance coming from central and local government grants. A charity was created which owned and managed the facility. The land on which the building is erected is owned by Babergh and leased to the charity. In 1986 Babergh became sole trustee of the charity. Prior to 1986 Babergh met the annual revenue deficit and gave capital grants. Since then it has invested a further £550,000 and meets the annual revenue deficit of £55,000.
- 4.1 The pool has now reached the end of its expected lifespan. A report to Strategy Committee in March 2002 and the Best Value Review of Cultural Services in 2004 both confirmed that the existing pool could not be repaired or refurbished at reasonable cost. At that time a substantial sum (in excess of £600,000) was identified as being required to undertake basic repairs, refurbishment and equipment renewals. However, such an investment will not guarantee a long term, or even medium term, life for the pool because of concerns regarding the structural condition of the pool tank. If this failed then it could only be replaced by demolishing the whole building.
- 4.2 Following consideration of the Best Value Review of Cultural Services in Autumn 2004, the Council accepted there was a strong need for a new swimming pool in Hadleigh. This was based on evidence of need presented in the Best Value Report, including in excess of 85,000 swims per annum, which could not be met elsewhere because all other local swim facilities are at full capacity.
- 4.3 The pool currently contributes to delivery of a number of Council objectives not least promoting healthy living and reducing health inequalities and maintaining a safe and clean environment. Clearly, a new pool would continue to support these objectives.

4.4 However, the Best Value Report also showed that in terms of value for money (based on usage and cost) and its contribution to meeting the Council's objectives the building of a new pool for Hadleigh came out third after the funding of dual use sports centres and arts development. The possibility of providing a new pool at a cost of more than £3M also needs to be seen in the context of the Council's overall investment in leisure. Over recent years this has been considerable and includes significant capital contributions to a range of community facilities across the district, additional revenue support for four dual sports centres and the Be Active Leisure Inclusion and Arts and Community Development posts (both benefiting the whole district).

4.5 The key question Members need to consider is:-

Is a new swimming pool affordable and does it represent value for money in terms of delivering Babergh's corporate objectives?

If "yes" what should be the balance between money raised by the Council Tax and from Hadleigh Town Council?

If "no" what would the Council's intentions be in relation to the existing pool as it can only continue to operate with Council revenue and capital support?

4.6 It is suggested that the decision of Members on affordability, in principle, would help inform the debate on the Pool which will form part of the three State of the District Forums being held in September. A special public meeting on the affordability of a new swimming pool is being organised in Hadleigh for the end of August prior to the Hadleigh State of the District Forum. This will provide an opportunity to sound out residents on the issue. The outcome of these Forums and the public meeting would be taken into account during the Council's Service and Financial Planning process which would report to Strategy Committee later this year. At this time, and during this process, a decision would then be made on whether to proceed with the feasibility study. At this later meeting of Strategy Committee membership of the study team, its terms of reference and suggested methodology would be presented.

5. **APPENDICES AND BACKGROUND PAPERS REFERRED TO:**

None.

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