



East
Northamptonshire
Council

Finance Sub Committee – 24 June 2013

Splash Leisure Pool

Purpose of report:

To consider the future of Splash Leisure Pool. It should be noted by councillors that future costs referred to in this report are rough estimates and must not be relied upon for budget purposes.

Attachment(s) – None

1.0 Introduction

- 1.1 This report provides councillors with information about Splash Leisure Pool including:
- maintenance work that has been undertaken over the past few years; and
 - work that needs to be done in the future to ensure Splash can remain operational, safe and in a good condition to encourage maximum customer usage.

2.0 Background

- 2.1 On 14 February 2011 the Policy and Resources Committee (P&R) considered a report on Splash Leisure Pool and approved a recommendation made by the then Finance Working Party (FWP) to:
- undertake urgent mechanical work (as identified in a condition survey conducted on behalf of the Council by Couch, Perry and Wilkes) to ensure Splash could be operational and safe for a period of up to 12 months; and
 - include £63,500 in the capital budget for 2011/12 to enable the urgent mechanical work to take place.
- 2.2 The report also made councillors aware of other work that would need to be done to ensure Splash could remain operational over a longer period of time to ensure that customer facilities, such as the flume and changing areas, are kept in a good condition.
- 2.3 It is worth noting that on 19 February 2007, P&R also considered and approved a recommendation made by the then Asset Management Panel to include £250,000 in the council's capital programme for part replacement of the Air Handling Unit (AHU) at Splash Leisure Pool. Full replacement would have cost in the region of £450k but only part replacement was agreed. It is understood by the council's Amenities Manager, who attended the meeting, that only part replacement was agreed due to cost and uncertainty surrounding the future of Splash Leisure Pool at that time.
- 2.4 Part replacement of the AHU was undertaken in 2007.

3.0 Overview of work undertaken since 2011

- 3.1 As identified above, the mechanical survey conducted on behalf of the council by Couch, Perry and Wilkes identified a number of things that needed to be done as a matter of urgency to ensure Splash Leisure Pool could remain operational and safe for the next 12 months. The urgent work was estimated at £63.5k and included:
- replacement of the chemical dosing system
 - replacement of the heating system pressurisation set
 - cleaning the AHU's in the changing rooms and administration offices

- installation of new gas supply.
- 3.2 To date approximately £17k has been spent by the council. The council's Amenities Manager has confirmed that less money was required than anticipated for a number of reasons including:
- competitive procurement
 - subsequent negotiation took place with Cultural Community Partnerships (CCP, the council's leisure provider) who agreed to pick up some of the costs (replacement of chemical dosing and replacement of heating system pressurisation)
 - originally it was considered necessary to install a new gas supply, estimated at £25k, but in the end this was not required.
- 3.3 The council paid for the following items:
- the reverse osmosis system
 - clean of the AHU's in the changing rooms
 - the chlorination unit.
- 3.4 In the last two years the focus in respect of our leisure facilities has been on dealing with the issues with the Nene Centre roof and in developing and implementing the 'Invest to Save' projects at the Nene Centre and the Pemberton Centre. In that time we have kept a watching brief over Splash to ensure that it stayed in operation. However, it has continued to deteriorate in that time and we now need to consider its future. If it is to remain open in the medium term, significant repairs and refurbishment need to be carried out.

4.0 Overview of work that needs to be done

- 4.1 During the last 12 months the AHU's to the offices and changing rooms at Splash Leisure Pool have been working intermittently and within the past few months it is understood that the AHU's have now stopped working. AHU's circulate air and heat to rooms throughout the building and, due to their age, these units are now not deemed repairable or serviceable. A budget cost for replacing the AHU's is estimated in the region of £65k to £75k.
- 4.2 The main pool area air handling ducting is situated over the pool and was not included within the replacement works in 2007 due to cost. The ducting has since been cleaned twice. However, on the last occasion it was cleaned it was deemed unsafe to enter the ducting due to corrosion and it can therefore no longer be cleaned. Replacement costs of the ducting and re-location to the outer walls of the pool area is estimated at between £35k to £45k.
- 4.3 The above costs are based on estimates obtained approximately two years ago and do not allow for professional service support such as design fees, CDM Co-ordinator, Project Manager or Clerk of Works.
- 4.4 CCP has also recently advised of further works that need to be undertaken including repairs to pool tiling, floor tiling (in and around the flume), fire door replacement and fire control panel replacement.
- 4.5 In addition, the changing rooms, showers, toilets, wash areas, lockers and flume are in a tired and poor condition. Depending on the long-term future of Splash Leisure Pool, it may be possible to do some small improvements to these areas, but they are really at a stage where a decision needs to be made about whether or not to invest in the facility.
- 4.6 Within the past two weeks a report has also been received from CCP's fire detection service contractors, who have advised that the present fire panel is obsolete and is no longer maintainable due to parts being unavailable. It requires new smoke and heat detector heads and some replacement of break glass call points.

4.7 As some of the items listed above have only been identified in the past few weeks, estimated costs have not been established from a contractor. Provisional estimates for new lockers are thought to be in the region of £22k and builders' work is roughly estimated at £150k (changing room improvements). However, it must be reiterated these are very broad estimates and that, if this work is to take place, it would need to be properly specified and quantified by a Quantity Surveyor or as part of a detailed design by an appointed contractor.

5.0 Invest to retain

5.1 Unlike The Nene Centre and The Pemberton Centre, Splash Leisure Pool is extremely unlikely ever to break even or generate net income. Instead it is likely that, even if improvements are made to the facility, it will still require considerable revenue payments to be made by the council. Currently these revenue costs stand at circa £275k per annum, a substantial percentage of the total £425k leisure management fee paid by the council to CCP.

5.2 User statistics for Splash Pool in 2012/13 were as follows:

5.3

Activity	User numbers 2012/13
Health Suite	4,031
Aquarobics	2,711
Individual Swim	75,196
10 card swims (discount card)	11,160
Creche	675
Spectator	29,301
Parties and Private Hire	12,718
Swimming Lessons	29,290
Memberships	371
TOTAL	165,453

5.4 It should be noted by councillors that annual membership is paid on the basis that individuals can access all leisure facilities (The Nene Centre, The Pemberton Centre and Splash Leisure Pool). If councillors were to decide not to invest in Splash Leisure Pool it could have a negative impact on the number of people who purchase annual memberships.

6.0 Possible external funding opportunities

6.1 Sport England runs two funding streams which support facilities projects:

- Inspired Facilities gives between £20,000 and £150,000 on a £ for £ match funding basis. This fund will cover modernisation, such as new lighting, flooring, showers; energy efficiency schemes, such as a new boiler; or access schemes, such as ramps. The last round of this fund opens on 21 October 2013 and closes on 16 December 2013 with a decision made by 31 March 2014.
- The Improvement Fund gives between £150,000 and £500,000 and requires 25% match funding. It supports capital refurbishment projects. However, it is being allocated in 5 rounds, each of which has additional requirements. Round Two is now open, and prioritises "projects that can clearly demonstrate a significant reduction in the use of energy and/or water, and reduce waste". Round Three, and its requirements, will be announced in 2014.

6.2 An additional potential funder is SITA UK, a waste and recycling company, which

gives up to £60,000 for projects which improve community facilities. The programme is a rolling one, with applications going to the next panel meeting. East Northamptonshire Council has recently been successful in getting SITA funding for the Greenway.

7.0 Alternative delivery model

- 7.1 It is recognised that the council has already made significant financial investment in leisure across the District with projects currently underway at The Nene Centre and The Pemberton Centre.
- 7.2 Whilst only a small amount of research has been conducted, it is known that an alternative delivery model is being used somewhere else in the country to ensure a community can continue to access a valued leisure service. The example described below is the Fenham Swimming Project.
- 7.3 Fenham Pool is based in the West End of Newcastle upon Tyne. Since 1938 the Pool had been an important community facility, catering for a wide range of groups of all ages and abilities. The Pool, operated by Newcastle City Council, had been under threat of closure for six years and was eventually closed on 18th July 2003, despite lots of opposition from residents.
- 7.4 To secure the future of the Pool, local people formed a committee and registered themselves as a company and charity with the sole aim of reopening the Pool. They commissioned surveys which demonstrated a demand for the Pool from the local community including schools, residents and health providers.
- 7.5 Fenham Pool reopened on 28th July 2005 as a Community Run Pool and since then the Pool has achieved its target of 100,000 users. They have also secured funding from the Big Lottery ("The People's Millions") to make improvements to their changing facilities.
- 7.6 This is one brief example of an alternative delivery model, but there are likely to be more.

8.0 Financial implications

- 8.1 The items listed in section 4 above are not exhaustive and a full list of works required will need to be produced if a decision is taken in principle to proceed with refurbishment works, or at least to seek firmer figures to enable the matter to be considered further. A number of the items will need to be undertaken very soon if Splash Leisure Pool is to remain open in the future.
- 8.2 It should be noted that this report focuses on areas where essential work is considered necessary to bring the facilities up to a suitable standard. It does not consider any potential cosmetic improvements to the reception area, meeting room, crèche, health suite or lighting across the remainder of the building.
- 8.3 As a very broad estimate, the essential maintenance and improvements to Splash Leisure Pool could possibly cost in the region of £500k or possibly even more. This may be a conservative figure, and a firmer cost will only be established when a precise scope of the works is defined and surveys have been conducted. It should be noted that some of the quotations included in this report are at least two years old.
- 8.4 As highlighted above, the costs referred to in this report are rough estimates and must not be relied upon for budget purposes. The Committee is asked to consider whether it wishes in principle to proceed with the work, in which case a brief will be prepared to commission a detailed study and preparation of up to date cost estimates. That study is likely to cost around £10k, which will need to be found from capital reserves as there is no budget for it.

9.0 Equality and Diversity Implications

9.1 If councillors are minded **not** to undertake any work at Splash Leisure Pool, which would likely result in its closure, it is recommended that public consultation and a full equality impact assessment be conducted prior to a final decision being made.

9.2 If councillors are minded to undertake work at Splash Leisure Pool an equality impact assessment should be conducted when it is confirmed precisely what work is required.

10.0 Legal implications

10.1 If councillors are minded not to undertake any work at Splash Leisure Pool, which would likely result in its closure in the imminent future, it is recommended that legal advice is sought to determine whether there are any significant legal risks that need to be considered prior to a final decision being made.

11.0 Risk management

11.1 If work is not undertaken soon, there is a potential risk to the health and safety of Splash Leisure Pool users and/or the possibility that equipment could fail, which might result in closure of the pool.

11.2 Whilst possible external funding opportunities have been identified, the timescales for decisions to be made may not fit with the need to commence work as soon as possible to ensure Splash Leisure Pool can remain operational, safe and in a good condition to encourage maximum customer usage.

11.3 As the standard of the facility declines, customer complaints regarding Splash increase. As they choose not to use this facility then the overall revenue reduces and the service becomes more expensive.

11.4 The recent investment in the improvements at the Pemberton Centre is supported by a substantial increase in membership numbers to substantiate the “invest to save”. As that membership package includes access to swimming at Splash there is a risk that the membership targets could be compromised if customers do not have that facility.

11.5 There is also a risk that further estimates may not precisely determine the final cost of the project. Depending on the route councillors decide to take to obtain the estimate, the risk could be increased or reduced. This is explained further in section 13.

12.0 Corporate Outcomes

12.1 The corporate outcomes to which this proposal contributes are:

- Good Quality of Life - Healthy
- Good Value for Money
- Effective Management

13.0 Recommendation

13.1 The Sub-Committee is asked to consider the content of this report and recommend to the Policy & Resources Committee what action they want to take in relation to the future of Splash Leisure Pool. Members can:

- Decide in principle that Splash Leisure Pool will close. This would need to be subject to legal advice being sought and conducting any required public consultation plus completion of a detailed equality impact assessment for further review by this Sub-Committee prior to any final decision being made; or

- Decide in principle that work should be undertaken to retain Splash Leisure Pool, and put the project in the development pool with an initial budget of £500k. This would then be subject to further work being undertaken at an estimated cost of around £10k, to be funded from capital reserves, to establish a precise scope of works and firm up the estimated price.

Legal	Power: Local Government Act					
	Other considerations: None					
Background Papers: None						
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CFO 13.6.2013			DMO		CX 13.6.2013	