



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	COMMISSIONING BOARD
DATE:	19 SEPTEMBER 2013
REPORT OF THE:	HEAD OF ENVIRONMENT,STREETSCENE,FACILITIES, ICT PHIL LONG
TITLE OF REPORT:	CAPITAL FUNDING FOR DERWENT AND RYEDALE POOL
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek Member approval to include in the capital programme funding for investment in both Derwent and Ryedale pools following referral back to Commissioning Board by Full Council in regard to prioritisation of essential costs.

2.0 RECOMMENDATION

- 2.1 That Council is recommended to approve the sum of £275,000 in the capital programme for works to Ryedale and Derwent Pools for the period up to 31 March 2017.

3.0 REASON FOR RECOMMENDATION

- 3.1 The Sport and Active Lives Strategy - as approved - set out the Council's position on pool replacement, that Derwent Pool could not be operated indefinitely and a replacement would be sought over a 10 year horizon. The prospect of pool replacement within the next five years is low. As such the funding identified in this report is required to maintain the pool and retain the existing service provision.

4.0 SIGNIFICANT RISKS

- 4.1 In the event that Council does not support the need for capital investment in the pools, the continuation of the service, particularly at Derwent Pool, will be difficult. Members through the approval of the Sports and Active Lifestyles Strategy at Council on the 16 May 2013 in principle supported the proposals within this report. There is the additional risk that failing to invest could affect the pricing or deliverability of the new Leisure Management contract from September 2014.

- 4.2 Whilst the spend identified in the report is necessary it only reflects the investment required in the life of the current capital programme, that is up to the 31 March 2017. Further investment will be required beyond this covering the period of the Sports and Active Lifestyles Strategy as highlighted in Annex 1.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 Council Aim 2: To create the right conditions for economic success in Ryedale:
- Opportunity for people; increasing wage and skill levels.

Council Aim 4: Active Communities where everyone feels welcome and safe:

- To help all residents to achieve a healthy weight by encouraging an active lifestyle, in communities where everyone feels welcome and safe

Council Aim 5: Transform Ryedale District Council

- Building our capacity to deliver through collaboration and working in Partnership.

- 5.2 Consultation with key stakeholders, sports clubs and the general public has been undertaken through the work on the Leisure Strategy.

6.0 REPORT DETAILS

- 6.1 It was agreed at the Commissioning Board Thursday 21 March 2013 and approved at Full Council 16 May 2013 to:

- *Approve in principle support for future capital funding requirements for Ryedale and Derwent Pools and request a report is brought to the Commissioning Board regarding cost implications for the capital programme;*

- 6.2 A report was taken and approved by the Commissioning Board 6 June 2013 that::

- *Council be recommended to approve the sum of £365,000 in the Capital programme for works to Ryedale and Derwent Pools for the period up to 31 March 2017.*

- 6.3 The report was considered by Full Council on 4th July 2013 at which the decision was taken that:

- *This item is referred back (with the exception of essential works to replace the flat roof at Derwent Pool which will be delegated to the Head of Environment in consultation with the Chairman of Commissioning Board) to Commissioning Board for further information. This information to include costs of the essential works in order of priority to enable an informed decision to be made regarding the future of Derwent Pool.*

- 6.4 Work is being progressed for the flat roof at Derwent Pool. Information regarding essential costs and prioritisation is listed in Annex A, accounting for various scenarios. At this stage Members should be aware that the costs detailed are estimates and are subject to economies of scale depending on which scenario or combination of options are chosen.

- 6.5 There are a number of necessary works required at Derwent Pool, covering key elements of the external envelope, and significant remedial works required to Mechanical and Electrical installations internally which will facilitate more efficient use

of energy and significantly improve the internal environment for staff and customers. In addition, to continue the recent improvements to internal finishes and fit-out, there are works required to improve the public changing facilities both from an aesthetic and functional point of view. The cost estimate for the works required at this site is £240,000 (less the £90,000 replacement of the flat roof which has been approved and delegated to the Chair of Commissioning Board and Head of Environment).

- 6.6 The main outstanding works required at Ryedale pool are required to make best use of energy and to improve the internal environment of the pool hall. The pool has benefited immensely from the recent installation of a CHP unit and solar thermal panels along with modifications to the air-handling plant which are now operating to provide extremely cost-effective use of energy and better controlled internal environment (air quality and thermal control). However, there are some elements of the external envelope of the building which require replacement / improvement to support and improve on this package of measures already undertaken. The estimated cost of these works is £35,000.

Replacement of Derwent Pool

- 6.7 A primary part of the reasoning given to refer this matter back to this Committee relates to the future replacement of Derwent Pool. Members had concerns over spending significant funding over the next four years and whether an earlier replacement of Derwent pool could be delivered which may reduce the current spend requirements.
- 6.8 Based on discussions with other Authorities, the minimum cost for a new pool, with similar facilities and size to Derwent Pool would be c£4m, assuming that a site is already available.
- 6.9 Members have already resolved that any replacement for Derwent Pool would be within Norton. Based on current access issues it will not be possible to develop the existing Derwent Pool site, nor has it much value and there is likely to be a significant site clearance cost. Therefore on top of any cost of a new pool, site identification and purchase will be a key issue.
- 6.10 Whilst there may be some external funding possibilities officers do not have the expertise or capacity to investigate these further at this time. It is almost certain that such funding will not meet the whole cost of the pool, and a sizeable financial contribution will be required from the Council.
- 6.11 The options for a sizeable contribution from the Council are summarised below:
- The existing unallocated capital resources. These are presently under £1m with this report to consider. With low interest rates and few capital receipts much of this funding may be required to maintain current services and facilities.
 - Borrowing. Based on the Council's financial projection, in particular in light of the recent Spending Round plus subsequent announcements it is unlikely that this could be recommended as affordable as required under the Prudential Code.
 - New Homes Bonus. Again based on recent data from 2015/16 onwards the Council could lose c£440k per year of its New Homes Bonus to support the LEP. The remaining New Homes Bonus will be required over the next three years to support the revenue budget even with significant service cuts.
 - Community Infrastructure Levy. Whilst this may be a potential source of funding the Council's charging regime is unlikely to be implemented until 2014 and then

the accrual of funds will take time, with a number of competing uses identified. This may provide some long term assistance to this project.

- Capital Receipts. The Council has not in the past five years generated significant capital receipts and other than through the sale of Wentworth Street Car Park there is little prospect of major receipts.

6.12 All of the above indicates that the prospect of pool replacement within the next five years is low. It is in light of this that officers require the funding identified in this report to maintain the pool and retain the existing service provision.

6.13 Should members wish officers to investigate pool replacement options external support will be required. The remaining funds within the unallocated budget could support this work. It may be that the new Leisure Contractor due to start in September 2014 could assist in this exercise.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

- £275,000 of works are outlined in the main report. Members should note that the spend identified only reflects the investment required in the life of the current capital programme.
- There are sufficient unallocated capital resources to enable this item to be included in the capital programme.
- Further investment will be required beyond this covering the period of the Sports and Active Lifestyles Strategy (Annex 1). Officers are of the opinion that funding for a new pool is unlikely in the next 5 years due to cost and the ten year replacement scenario is more realistic.

b) Legal

Procurement would need to ensure due legal process is followed

c) Other

There no significant other implications to consider at this stage in the process.

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Background Papers:
None.