

NORTH SOMERSET COUNCIL DECISION



DECISION OF: COUNCILLOR MIKE SOLOMON THE EXECUTIVE MEMBER FOR CULTURE AND LEISURE

WITH ADVICE FROM: DIRECTOR OF CORPORATE SERVICES (SECTION 151 OFFICER)

DECISION NO: 23/24 DP36

SUBJECT: TRANSFER OF THE CHURCHILL SPORTS CENTRE ASSET TO CHURCHILL ACADEMY WITH £470K OF CAPITAL FOR MAJOR REPAIRS

KEY DECISION: NO

REASON: The value of this decision is less than £500,000 and this decision will not have a significant impact on two or more wards in North Somerset

BACKGROUND:

Churchill Sports Centre was temporarily closed to the public in March 2020 as part of Covid lockdown. At the time the centre was managed by a management contractor GLL. The Council and contractor were not able to open the site between the initial lockdown and the subsequent lockdowns in November 2020 and Jan-Mar 2021 due to the complexity of making the site compliant with Covid guidance and regulations. The contract with GLL which was due to end in March 2021 and was terminated by mutual agreement in November 2020 in order to reduce ongoing costs for the contractor and council while a long-term solution for the site was investigated.

Following the termination of the contract, partnership work commenced with local ward members and a local working group to investigate potential future options for the site. A summary of 7 options was presented to the Executive at an informal meeting in March 21.

These potential solutions included:

- Trust management (academy led)
- Academy management
- Private leisure management contractor
- Remain closed for 12-24 months
- Sports centre rebuild*
- Private investment*
- Permanent closure

*options included at the request of the working group.

However, none of the outlined solutions were affordable for the council or potential future operators where external solutions were proposed for like for like delivery. For example, it was estimate that over £1m capital investment was required to bring the building up to a safe and fully operational standard in addition to an annual subsidy of £100k . Due to the significant financial pressures that the council continues to face, funding could not be

identified to invest in the facility and to subsidise services from the site. The other leisure centres that the council is responsible for are contracted to cover their running costs through income generation. and this model would also be required for the Churchill site. None of the options were able to meet this criterion.

As a result of the review, a decision was made to offer the opportunity to the community to explore community led options, with the support of the council to provide information, coordination and any seed funding required to enable the investigation of the community options and development of a locally led business case to take on the site.

Detailed work took place with the local action group and local ward members throughout 2021 in order to identify a viable community led solution but no solution was identified. It was decided in early 2022 to formally offer the opportunity for a business case to be put forward from any provider to take on the site – with a window of opportunity between March 2022 and July 2022. This window was extended until the end of October 2022, but no proposals were received.

Adjoining Parish Councils were also approached to adopt and manage the Sports Centre but none supported this option.

Swim England were also approached for advice and whilst they would prefer no swimming pools to close, they recognised that this particular swimming facility was not viable.

By November 2022 it was clear that there was no affordable and sustainable way to re-open the sports centre and in February 2023 the formal decision was made to permanently withdraw from the centre and explore the disposal of the asset; this consisted of either transferring it to a third party for ongoing management/ownership or demolition.

Throughout the period above, dialogue continued with Churchill Academy on site regarding the future of the asset.

In April 2023 Churchill Academy joined the Lighthouse Schools Partnership Trust and discussions have taken place with the Trust regarding the building's future. They are interested in ownership of the building, but do not want the swimming pool, however this could be re-purposed.

The trust do not need the building to increase their pupil numbers, but would use it for overflow lessons and exams (which they are currently doing). They would also benefit from further hall space and would open this up to the community for use, outside of school hours as they currently do with a number of their facilities.

As part of the previous exploratory work and again more recently, condition surveys have been produced on the building and mechanical and electrical elements of the building. Costs have also been gained on repurposing the swimming pool for a multi-purpose hall. The costs have identified £1.1m of works required to bring the building to a good standard.

The trust have identified that £821k worth of works are urgent and need to be completed as soon as possible including the swimming pool conversion and the remainder of the outstanding works can be completed over the next couple of years.

The Trust have suggested that they would be interested in taking ownership of the asset and have asked the Council for £690k towards the repairs and they would provide £130k this

financial year towards the works and the remaining funds would form part of their repairs budget going forward.

The main works required include roof replacements, window replacements and mechanical and electrical works.

The cost of demolition of the asset has been included within the council's asset management plans and financial forecasts and so has also been used as a base sum for any possible contribution to the academy for them to take ownership of the facility – this indicative sum last March was approximately £300k although will have been uplifted in line with inflationary factors.

Following meetings with the academy, the demolition costs have been updated and also other options have been costed, due to the sports centre being part of the same building as the academy's sports hall.

The 4 options are as follows:

- 1) demolition of the Council's half of the building, providing a 2 storey structural retaining wall to ensure the adjoined sports hall is safe, fill in the pool, level the site and tarmac - **£625k**
- 2) as above – but using the building materials to fill in swimming pool, tidy site and fence around Council land - **£555k**
- 3) as 1 with the addition of a small reception area for the school children to wait inside for use of the sports hall - **£740k**
- 4) as 1 – but leaving a larger section of the sports centre to allow a lift to be provided. - **£895k**

As can be seen the construction costs have increased considerably over the last year due to a number of external factors such as: labour shortage, post COVID demand, energy cost increases, disposal costs etc.

This means that an estimate of £555k is the new base figure as this is the minimum needed to discharge the council's responsibility and demolish the building, which is slightly higher than the sum of £470k which is held within the Place leisure assets reserve.

However, separate funding of Section 106 from three developments totalling £130,542 which is specifically allocated to the sports centre can also be used towards the total for the re-purposing of the swimming pool works for community use (separate decision sheet).

This is a total of £600,000 capital being provided to the academy to enable the facility to continue to be used for the long term and will provide further opportunities for community use of this site, outside of school hours and saves a building from demolition.

The works will be carried out by the Trust directly.

This will also enable at least 50% of the £117,000 MTFP savings identified to be realised this financial year 23/24.

As part of the agreement of the funding, the asset and associated land will be transferred to the Lighthouse Schools Partnership Trust and they will be the owners and fully responsible

for the repairs and maintenance of the facility going forward and will no longer be a Council asset.

There will be a requirement of the funding and transfer that the community will continue to have access to the facilities, outside of school hours.

This package provides a positive outcome for the facility as it will continue to provide access to the local community for activity sessions and open up additional space for usage and more activity bookings, it will also provide the academy for further space and opportunities for their PE lessons on bad weather days and assist with their exam programme.

This is considered a much better outcome than leaving a demolition site in the middle of the school and at a comparable cost to the Council as demolition.

The principal terms and conditions agreed with the Lighthouse Schools Partnership Trust (LSP) are as follows, subject to the most appropriate legal agreement advised by Legal Services:

1. The council shall transfer its unregistered title in respect of the Churchill Sports Centre asset for the nominal consideration of £1 to LSP.
2. Within the legal documentation suitable provision shall be made to ensure community use of the transferred asset, outside of school hours, for a minimum of 15 years following completion of the refurbishment works.
3. The council shall provide the sum of £470,000 to LSP as a contribution towards the cost of undertaking agreed works to the buildings.
4. LSP may drawdown the sum provided by council on proof of works having been undertaken and proof of costs.

DECISION:

Officers are hereby authorised to negotiate and conclude suitable agreement/s with Lighthouse Schools Partnership Trust on the basis of the above principal terms and conditions.

REASONS:

The provision of capital and the transfer of the asset to the Academy Trust, will allow for an existing community asset to continue to provide activity opportunities to the local community. The re-purposing of the swimming pool will provide additional facilities for classes and events for the community to access.

Without the capital element, the academy would not take ownership of the asset and the Council would need to demolish the building at a similar cost to transferring the land. This is considered a positive outcome for the community asset.

OPTIONS CONSIDERED:

Since the formal decision to withdraw from the site and dispose of the asset was made in February 2023, work has taken place to find a suitable solution to a building which currently requires a significant amount of investment from the Council – over £1m.

The other options available was to continue to mothball the asset, however this is currently costing the Council £117,000 per annum and would not achieve the MTFP savings and the building is falling into further disrepair.

The remaining option was to demolish the asset, which has a substantial cost and also reputationally would be negative for the Council and reduce the community facilities available to the community in the local area.

FINANCIAL IMPLICATIONS:

It currently costs £117,000 pa to keep the site mothballed. The transfer of the asset will make approx. 50% of the medium term financial plan savings for 23/24 and the Council will no longer be responsible for the asset going forward.

There is a capital investment required to enable this asset to be transferred and the revenue savings to be realised. The sum to be provided is £470k and will enable the Academy to carry out the works to make the building a safe environment to occupy.

FUNDING

ZXB344 - £470,000 to be provided from the Leisure Asset Reserve

LEGAL POWERS AND IMPLICATIONS

This is not a statutory service and the agreement to withdraw from this site was made in February 2023.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The transfer of the sports centre will reduce the Council's carbon footprint. The works being completed by the Academy will make the building more energy efficient going forward.

CONSULTATION

The Executive Member for Culture and Leisure, Leader of the Council and Ward Member have been briefed on the position and all support this way forward.

RISK MANAGEMENT

The building cannot be re-opened due to financial reasons; therefore a solution needed to be found. The transfer of the building and proposed funding will remove any future risk of this site to council

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

CORPORATE IMPLICATIONS

The permanent closure and disposal of the site has been recognised in the 23/24 MTFP as a necessary element to balance the Councils budget.

APPENDICES

N/A

BACKGROUND PAPERS

22/23 DP396 – To agree the permanent withdrawal of Leisure Services from Churchill Sports Centre and proceed with investigating options to dispose of the asset.

Director Decision (May 23) to use S106 to make improvements to the facility and support the asset transfer.

SIGNATORIES:

DECISION MAKER(S):

Signed:  Executive Member for Culture and Leisure

Date: 20 June 2023

WITH ADVICE FROM:

Signed:  Director of Corporate Services (Section 151 Officer)

Date: 20 June 2023