

Extract of Minutes from Overview and Scrutiny Panel held 4 June 2015

O&S.5/15 DARTMOUTH INDOOR POOL

At the invite of the Chairman, Sir Geoffrey Newman and Messrs David Shaw and George Hardy were in attendance to represent the Dartmouth and District Indoor Pool Trust. In light of a report on the Pool being scheduled for consideration at the Executive meeting on 18 June 2015, the Trust representatives had been invited to respond to Member questions.

In their introduction, the Trust representatives firstly welcomed the opportunity to address the Panel and also wished to apologise for the conduct shown by some supporters before the Annual Council meeting on 21 May 2015.

A number of questions had been submitted by Members to the Trust in advance of the meeting (as outlined at Appendix A). However, before responding to these questions, the representatives emphasised the need (and the extent of local support) for the indoor pool and stated that it was the view of the Trust that it had complied with all of the conditions associated with the Council's original grant offer.

The representatives proceeded to respond to the advanced questions and, in so doing, made particular reference to:-

- (a) the construction price. Members were informed that a fixed price contract was in place with a construction company up until 3 July 2015. If this deadline was not met, the construction company had estimated that the price of works would increase by between £70,000 and £100,000, thereby making the project unaffordable to the Trust. When questioned, officers advised that, even when considering the cost of inflation in the construction industry, there was still a lack of clarity in relation to the exact costs of any delay from July to September.

The Trust acknowledged that the fixed price contract did not cover any additional risks (e.g. adverse weather delaying construction works or asbestos being discovered on-site). As a consequence, the Trust had raised and set aside a contingency budget of £75,000 to cover any additional costs outside of the contract.

For specific design reasons (e.g. the use of straight beams and the Plant Room being built outside of the main building), the Trust was confident that the pool could be constructed for £1 million less than Sport England estimates.

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Whilst the representatives informed that the specification was recognised as being 'fit for purpose', the Panel invited the lead officer to comment. In so doing, the officer confirmed that the specifications were indeed 'fit for purpose', however, it was recognised as being best practice for swimming pools to be built above Building Control specifications, thereby increasing the initial cost of construction to reduce ongoing running and repair and maintenance costs. Furthermore, the specifications did not comply with Sport England standards and the brand of Boiler to be used had still to be defined;

- (b) the Business Case. Through a combination of public revenue subsidies (e.g. Dartmouth Town Council, who had offered to provide £10,000 for 10 years and Dartmouth Academy and four local primary schools) and volunteer fundraising (£173,000 had been raised towards the project since 2010), the Trust was very confident that it could more than adequately deal with revenue budget pressures.

In alluding to examples with the Flavel Centre and Dartmouth Caring, the Trust was equally confident that there would be plentiful numbers of volunteer staff available to support the operational business model.

The representatives also made reference to the comments of the Council's then Strategic Director (Community), who had confirmed his view that the business plan appeared to be a well researched document. At the request of the Panel, it was agreed that this letter would be circulated to all Members.

Members were advised that two versions of the business case had been produced – one version being considered as the most accurate estimate, with the other version being based upon a worst case scenario. In its conclusions, the Trust was confident that the Pool could still operate on a break even position in the worst case scenario.

The representatives confirmed that the Trust could not run the Leisure Centre and the Pool because it did not have the expertise and it would not therefore be able to submit a bid during the tendering exercise. In addition, it had always been the assumption of the Trust that it would either run the pool itself or a leisure provider would run it for the Trust under a contractual arrangement (which was the preferred option for the Trust).

The Trust recognised that the lack of a physical link between the Leisure Centre and the pool was an issue, but that this was a decision which had been taken based upon the consequent additional costs of constructing a corridor.

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In the ensuing discussion, reference was made to:-

- (i) the risk of being able to afford to run the Pool in the future. The Panel was informed that one of the main benefits of including the Pool in the wider leisure review was that guarantees would be included in the tender exercise in respect of being able to meet ongoing revenue cost pressures. With regard to ongoing revenue costs, a number of Members wished for it to be recorded that the Council would not provide any revenue funding to this project beyond its capital commitments;
- (ii) contributions from other public sector agencies. A Member expressed his concern that neither the health or education sector were contributing any monies towards the capital costs of the project;
- (iii) the enthusiasm shown by the Trust. Some Members were full of admiration for the Trust, but did question what measures of succession planning were in place to ensure that the Trust had a sufficient number of volunteers (and expertise) in the future. In response, the representatives expressed their confidence that the Trust would always have sufficient capacity to operate;
- (iv) the land being Council owned. As a consequence, the Panel acknowledged that the Council would be liable should either the revenue funding run out or the Trust be disbanded;
- (v) the expectations of the local community. The view was expressed that local expectations had been raised by the Council and it would therefore not be a credible course of action to hold off from allocating the grant before the 3 July 2015 deadline. The Chairman commented that the Executive would have to reach a decision on the issue of grant timing, however, in doing so it should be mindful of the commitment already given to the Dartmouth community by this Council.

It was then by a vote of seven in favour, with two against and one abstention:

RECOMMENDED

That the Executive be **RECOMMENDED**:-

1. to continue with the original intention to grant £400,000 towards the construction of the Indoor Pool ; and
2. that the Council should not be liable to any ongoing revenue costs associated with the project.