

Notification of an Urgent Executive Decision – Huish Episcopi Academy Swimming Pool Project

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Purpose of the Report

1. The purpose of this report is to notify Members of the urgent decision made to revise the Council's capital funding commitment to Huish Episcopi Academy (HEA) so the project would not be jeopardised and could proceed without delay. The decision was taken under Section 3 – 47 (4) of the council's Constitution – whereby an Urgent Decision is one that is considered by the Chief Executive to be necessary to protect the interests of, or advancing the business of, the council. All such actions in all cases are reported to the next appropriate meeting of the District Executive. The requirement for HEA to start construction on the project during the school summer holidays and the risk to the project of not commencing prevented the usual decision making process from being followed.

Forward Plan

2. This report appears on the District Executive Forward Plan for August 2017.

Public Interest

3. HEA is a long standing provider of dual use community leisure services and facilities and currently operates a leisure centre and outdoor heated swimming pool through its subsidiary operating company Huish Leisure Limited. Community access to the pool is currently available April to October from 0630 to 2000, Monday to Friday and 0800 to 1800 on Saturdays and Sundays and secured via a Shared Use Agreement.
4. HEA and South Somerset District Council have a shared strategic objective to provide indoor swimming for the community in Area North (the only SSDC area without indoor swimming provision), through transforming the existing LIDO pool, along with improvements to the supportive leisure infrastructure. This proposal will maximise the use of this school asset for the benefit of the whole community. It represents a strategic facility for the district and will support the delivery of the Council's health and leisure objectives.
5. At the beginning of January 2016, HEA received a provisional grant allocation of £481,600 from Sport England towards the project and SSDC have worked closely with HEA to develop the project.

Recommendations

6. To note that, according to the provision of Section 3-47 (4) of the Constitution, the Chief Executive, in consultation with the Leader:
 - a) Agreed to a revised contribution of £117,094 of S106 receipts to support the overall scheme cost of £1,215,116.

Background

7. In April 2016 District Executive Committee approved a grant of £200,038 from useable capital receipts and an allocation of £152,684 from S106 receipts towards the HEA pool project with an estimated total project cost of £954,322. The committee also agreed to underwrite £46,847 of unsecured S106 from capital reserves.
8. Since the District Executive report, Sport England requested an upgrade in construction requirements and tenders have also taken place which due to rises in costs in the construction sector has resulted in an increased project cost. To meet the shortfall in funding, Area North Committee approved a further £25,000 of SSDC capital towards the project in January 2017 based on revised projected project costs of £1,049,994.
9. Since that date, the scope of the project has increased. This has been to minimise future disruption to pool users, to maximise community use of the facility whilst reducing disruption to the school, and to improve other facilities on site. Additional works include the retiling of the pool tank. The tiling is reaching the end of its life and it is sensible to bring the works forward, whilst the other construction works are taking place to avoid a further pool closure in the near future. In addition, it is now proposed to extend and make improvements to the car parking to enable dedicated community parking adjacent to the centre and improvements to the health and fitness facilities.
10. Value engineering has taken place to seek to reduce the overall project costs without compromising the quality or community offer. The combination of increasing the scope of the project, inflation in the construction sector since the project was first initiated in 2015, and increase in fees due to additional works required mean that the overall project costs now stand at £1,215,116 including contingency funding. A shortfall in funding therefore exists.

Reasons for an urgent decision

11. If the decision was not taken urgently there was a risk to the project and therefore to the Council being able to meet its strategic objectives for community health and leisure provision.
12. Delaying the decision would potentially risk increasing costs further within the project. In addition, the project is reliant on grant from Sport England. To avoid losing £500,000 of investment from Sport England and to deliver the project during the school summer holidays, it was necessary for HEA to award the contract for the project before the end of the summer term. It is imperative that the initial disruptive works are carried out during school holidays for safeguarding reasons so that work can continue safely during the autumn term when students are back on site. As this project will address an identified shortfall in pool provision in Area North, the Council has worked closely with HEA to bring this project to fruition. It was therefore considered important to help bridge the shortfall with further S106 already secured for strategic facility provision in Area North to enable the project to continue without delay.

Financial Implications

13. The project is expected to cost up to £1,215,116. A revised summary of partnership funding is as follows:

Funding Breakdown	Agreed April 16 / Jan 17		Urgent Decision Jul 17	
	£s	%	£s	%
SSDC DX Capital	200,038	19	200,038	16
SSDC Area North Funding	25,000	2	25,000	2
SSDC Banked S106	115,137	11	190,463	16
SSDC S106 Unbanked	46,847*	4	88,615*	7
Sport England	493,600	47	500,000	41
Huish Episcopi Academy	144,300	14	186,000	15
Community Fundraising	25,072	3	25,000	2
Total Partnership Funding	1,049,994	100	1,215,116	100

*District Executive committee agreed in April 2016 underwrite the first £46,847 of unbanked S106 only. The further allocation of unbanked S106 will not be underwritten by SSDC and SSDC will only pay these additional unbanked S106 contributions once they are received by the Council. HEA is aware that it is their responsibility to manage this risk.

14. The allocation of SSDC capital receipts remains the same as before, with the change being an increase in the amount of S106 allocated, and some additional allocations from the other partners.

Council Plan Implications

15. This decision supports the delivery of a strategic facility for the district and meets the following corporate Health and Communities objectives:

- Support communities so that they can identify their needs and develop local solutions.
- Target support to areas of need.
- Help people to live well by enabling quality cultural leisure, play, sport and healthy lifestyle facilities and activities.

Equality and Diversity Implications

16. Covering the pool at Huish Episcopi Academy will deliver all year round community access to swimming provision for local residents. The project will address the Area North spatial deficiency in indoor swimming provision identified within Council needs assessments and consequently reduce the travel time to pool facilities for many residents in Area North.

17. The project will provide accessible and DDA compliant facilities, incorporating the provision of a pool hoist with detachable chair.