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## Meeting of the Executive

6 July, 2010

Report of the Director of Communities and Neighbourhoods

### York Sports Village Swimming Pool

#### Summary

1. This report sets out a proposal from the University of York to provide a publicly accessible competition standard swimming facility for the city to be located close to the Grimston Bar Park and Ride site. Members are asked to agree to make a £3m capital grant to the project.

#### Background

2. The context for this project is the Council's agreed vision for swimming facilities:
  - We should have facilities that encourage all York citizens to swim
  - Sufficient sports facilities should be available for casual (pay as you go) use
  - Swimming should include opportunities for:
    - fun activities, especially for children and families
    - open swimming for casual users
    - courses and lessons
    - clubs
    - regular fitness and competitive swimmers
  - There should be a good quality environment for sports activities (wet and dry), which is bright, safe and clean
  - All school children should be able to achieve the National Curriculum requirements for swimming
  - Facilities should be accessible to all
  - The City's pools between them need to cover the full range of requirements: Facilities for local competitions, schools use, club development, teaching, fitness swimming, and family swimming
3. To inform its pool strategy the Council previously carried out an analysis of supply and demand for swimming facilities using the appropriate nationally recognised planning model. This shows that we have a current demand for an additional twelve, 25m lanes of swimming space in the city. By 2015 this is likely to have increased in line with the projected population increase such that there will be demand for a further pool. When the results are broken down

geographically it is clear that the demand is greatest in the South and East of the city.

### **Consultation**

4. Extensive consultation has been undertaken over the years in which the Council's pools strategy has been developed: With citizens through city-wide exercises, with user groups, clubs, other institutions in the city, with the Amateur Swimming Association, and with Active York.
5. Active York's sport and active leisure plan for the city identifies that "The city has no swimming facilities that meet modern competitive requirements or dedicated training facilities. This need, coupled with the need for public swimming facilities, can logically be met by the provision of a publicly accessible county standard pool (25m, 8 lane (or more) pool with training / teaching pool)." It comments that, "The development of a county standard pool would create a logical home for the city's competitive swimming club and would allow the existing and new community pools to cater predominantly for community and fitness users."
6. Other consultees have also identified the desire for a competition facility to ensure that local swimmers can achieve their potential. An even more important factor emerging from consultation is a pool that is available at all times when people want to use it.

### **The Current Strategy**

7. In response to this analysis the Council set out its current swimming facilities strategy in October 2007. This strategy is designed to:
  - Deliver the vision for swimming set out in paragraph 2 above
  - Provide effectively for all the city's needs in a coherent way avoiding unhelpful competition between facilities
  - Be deliverable within the capital resources currently available to the Council
  - Maximise the potential of partnership working in order to achieve best value for money for Council Tax payers
  - Aim to reduce the Council's revenue subsidy requirement
8. The key deliverables of the strategy with respect to facilities are:
  - Refurbishment and modernisation of Yearsley Pool: Completed in 2008
  - Construction of the Energise facility on the west side of the city: Successfully opened in December last year
  - A partnership with the University of York to deliver a short course competition standard swimming pool with full public access as part of their planned "York Sports Village" development
  - Further development of the strategy from 2012 on to pursue options for a city centre pool that will address additional demand arising from an increased population beyond 2015

## **The York Sports Village Swimming Pool**

9. The University of York's Section 106 agreement requires a scheme for the provision of public access to:
  - A competition standard swimming pool
  - Indoor sports provision equivalent to 12 badminton courts and 3 tennis courts, and
  - Outdoor sports facilities
10. There is no end date by which the University has to deliver these facilities and it will not be in a position in the foreseeable future to complete the facilities within its own resources. The University therefore invited the Council to make a one-off capital contribution in order to:
  - Bring forward the date of the start on site, and
  - Enhance the project to deliver a comprehensive, publicly accessible programme covering clubs, general swimming, schools, classes, family sessions, targeted sessions, galas, etc.
11. The proposal is based on the following principles for the pool, previously agreed by members, that it should:
  - Be accessible to all York citizens and members of the University, including club use
  - Encourage participation by promoting the benefits of a healthy active lifestyle
  - Provide facilities for a range of abilities and actively encourage participation by all members of the communities
  - Promote use by people with disabilities
  - Be designed and maintained as a high quality environment
  - Have a flexible charging and admissions policy that promotes the maximum use of the facilities during the day and encourages widening participation
  - Be financially self-sufficient including an allowance for sufficient ongoing maintenance and renewal
  - Have an independent identity
12. The University's independent steering group (which includes a wide range of University, Council and community representatives together with a representative of the Amateur Swimming Association and has met 7 times between February 2007 and May 2010) is recommending a design developed by Space Architects including:
  - A 25m x 17m 8-lane pool (depth to be determined but including a deep end)
  - Health and fitness facilities
  - Dance / aerobics / martial arts studio
  - Training Pool, 4 lane, 0.8m to 1.2m deep
  - Spectator gantry seating with 150 seats

There will be a high level of environmental specification. Outside, there will be a full size 3g football pitch as well as 3 x 3g 5-a-side football pitches. Outline drawings are at Annex A.

13. Considerable work has been done over the period February 2007 to May 2010 to:

- Develop a design that meets the full specification at the most affordable price
- Maximise the potential for external funding
- Produce a revenue business plan that would at least break even

14. The final proposal represents the best that can be achieved against the above 3 points. The University has costed it at just under £9m. Funding would come from:

- The University                      £5m
- The Council                            £3m (grant funding)
- External funding                    £1m (grant funding)

(The project is contingent in its currently stated form on the external funding. It has passed stage 1 approval and a final decision is expected later in the year).

15. The facility will provide a much higher specification than anything previously available in the city. As well as a comprehensive, publicly accessible programme it will provide for sport and club development and short course competitions. As well as swimming it is planned that there would also be a wide range of facilities on hand for fitness, dance, aerobics, martial arts, and a café as well as external sports pitches. In the longer term the University has plans to provide additional facilities including a sports hall. An indicative programme is set out at Annex B.

16. In consideration of the Council's grant funding the University is offering a 25 year agreement. The key terms proposed are set out in Annex D. The following are the main features of the proposed scheme:

- Around 97 hours of public opening per week
- Guarantees on galas and club use
- Protection of pay as you go access for swimming and application of YorkCard discounts
- Indicative swimming prices of £4.25 for an adult and £3.00 for concessions with YorkCard (approx £4.45 and £3.20 without) – based on current VAT rates. There will be discounts for regular users. This compares to £3.35 and £2.20 in our facilities but is less than in other cities in the region e.g. Sheffield where at Hillsborough Leisure Centre a lane swim costs £4.40 and a leisure swim £4.90 (at peak times)
- The fitness facilities will be run on the basis of monthly memberships only (ranging from £28 to £45 per month) – based on current VAT rates - in order to generate sufficient income to subsidise the pool
- A significant sinking fund is provided to ensure that the facility is maintained to the highest standards

- Continuation of the Steering Group in an appropriate format as a consultative body for stakeholders
  - The University will be responsible for the construction of the facility and all risks associated with delivering the project.
  - The University will bear the full financial risk of operating the facility. Their draft business plan is at Annex C. This shows a loss in year 1 with surpluses thereafter.
17. A 25 year agreement is offered because at the end of this time the facility is likely to require major refurbishment beyond what can be delivered through the sinking fund. The design life of the structure as a whole, however, will be 50 years therefore it can be expected that the University will seek to continue to operate the facility.

### **Options**

18. Members can:
- Accept the University's partnership offer through the proposed agreement, or
  - Act alone to develop the required short course competition standard facility

### **Analysis**

19. The University's partnership offer provides in full the city's requirements for a short course competition standard facility over 25 years for a one-off capital contribution of £3m. It will be delivered by early 2012. The pool will be of a standard far higher than anything previously seen in the city.
20. To go it alone on the other hand would be far more expensive. The Council would need to fund the initial capital cost of £9m plus, potentially, the cost of land acquisition. There would also be the capital investment requirement over the 25 years for which the University are allocating a further £8m (through a sinking fund). This is a prudent figure. This gives a total capital outlay of £17m plus land acquisition if the Council were to deliver its own pool.
21. In revenue terms the University's proposal is at no cost to the Council. A pool run within a traditional Council model on the other hand will require subsidy. On this basis a new competition pool would cost over £25m in capital and revenue combined over the 25 years.
22. Finally, it would take longer for the Council to be able to deliver its own pool, since no site has been identified to date.

### **Implications**

#### **Finance**

23. The Council has previously allocated £2m to this project within its approved capital programme. Options to allocate an additional £1m are:
1. To redirect resources from within the Leisure and Culture Capital Programme. Schemes in the programme that have not yet commenced:

- £200k for refurbishment of the Museum Gardens by YMT: This is scheduled to go ahead in 2011
- £200k contribution for the Millfield Lane community sports pitches scheme: The changing rooms now have planning permission and will be delivered this year
- £60k for repair of Energise sports hall floor
- £500k for relocation of the City Archive as a phase 2 of York Explore, spread over 2011-13

2. To redirect resources from elsewhere with the Council's Capital Programme.

3. To fund the additional capital through disposal of capital assets:

As reported to the Executive in February officers have carried out an assessment of the Council's assets that are surplus to requirements and been unable to identify any additional assets that are surplus to requirements. Furthermore, Officers have carried out a detailed review of all approved asset sales to ensure the projected sale value and timings are reasonable. This has resulted in a number of revisions to the asset values giving a bottom line position of a £3.772m deficit over 5 years.

4. To provide the additional funding required from council reserves:

At the end of March 2010 reserves stood at around £7m against minimum levels of £5.9m; however, given the impending reductions in public spending it is not recommended that reserves are used.

It is therefore unlikely that there will be sufficient reserves to fund this additional contribution, either in 2010/11 or early in 2011/12.

5. To use borrowing. Options for funding the revenue cost (approximately £71k p.a. for £1m to be repaid over 25 years) would be:

- a) through the assets secured: In this case, however, the facility is additional and does not lead to withdrawal of other facilities with consequent savings. The business plan for the new facility does not provide for the cost of repaying the Council's borrowing.
- b) revenue savings within the Leisure and Culture budget: All options were considered as part of the 2010/11 budget process. Any options to be revisited are likely to be difficult ones.
- c) revenue savings from other areas of the wider council budget: These would need to be identified as part of the 2011/12 budget process.

24. The Executive is recommended to fund the borrowing from future revenue savings (option 5c) above) and to recommend to Council on 15 July that £3m is allocated to this project within the Council's capital programme.

### **Legal**

25. A comprehensive legal agreement will need to be drawn up between the Council and the University of York covering both the conditions to be fulfilled before the Council's funding can be drawn down and what will be provided over the 25

years. A clawback provision will ensure a measure of repayment of the Council's grant in the event of any default. The key heads of this agreement are set out in Annex D.

### **Planning**

26. The University will need to submit the scheme for detailed planning permission. The University have indicated that since the pool represents a significant additional public facility on the new campus they will require an additional 250 car parking spaces over and above the existing allocation of spaces. (The total planning consent required for Heslington East car parking spaces would rise from the 1,500 currently approved to 1,750.)

### **Corporate Objectives**

27. The project contributes to the following Corporate Objectives:
- Healthy City – by increasing participation in health and wellbeing programmes
  - City of Culture – by increasing participation in sporting activity

### **Next Steps**

28. Key milestones are:
- University submits detailed planning application August 2010
  - Start of site Spring 2011
  - Opening Spring 2012

### **Risk Management**

29. Failure to deliver this project is an identified risk in the Corporate Risk Register and is rated 'red'. The proposals in this report address the risks identified through a funding package that allows the project to move forward.
30. Risks to the Council associated with implementation of the project will be managed through the legal agreement. This will ensure that no grant funding is made until the robust arrangements are in place to deliver the project and provides for clawback of funding in the event of any default.
31. If the Council does not support the University's proposal there is a risk that the city will not have a competition standard facility for many years to come and there will be no alternative prospect of delivering a new pool for the city. The Sport England funding will be lost.

### **Recommendations**

32. Members are recommended to:
- i) Agree to the University's partnership proposal including the allocation of a £3m capital grant
  - ii) Recommend to Council an increase in the capital programme of £1m for the York Sports Village Swimming Pool (from the existing £2m), this to be financed from prudential borrowing with the consequential revenue

implications of £71k being accepted as committed growth for the 2011/12 budget

- iii) Note the draft heads for the legal agreement set out in Annex D and delegate authority to the Head of Legal Services to finalise the heads and conclude the agreement

Subject to the University being in a position to start on site during 2011.

Reason: To further the city's swimming strategy and to create excellent facilities for the people of York to use.

### **Annexes**

- A. Outline drawings
- B. Indicative programme
- C. The outline business plan
- D. Heads of terms of legal agreement

### **Contact Details**

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**Report Approved** ✓ **Date** 24.6.10.

#### **Specialist Implications Officers:**

Richard Hartle  
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**All** ✓

#### **Wards Affected:**

For further information please contact the author of the report

#### **Background Papers:**

*Review of the Leisure Facilities Strategy (Swimming):* Report to the Executive, 23 October, 2007