

Financial Contribution to Bridgnorth Leisure Centre improvement works.

Proposal from Counc. D Cooper

1. Background

- 1.1. Bridgnorth Leisure Centre forms part of the Bridgnorth Endowed School site, operating from buildings which were constructed in 1976 – originally these were part of a joint use agreement between Shropshire Council as education authority, Bridgnorth District Council as responsible for public leisure facilities, and Bridgnorth Town Council. Bridgnorth Endowed School is now run by an academy trust and is therefore independent of the local authority. It leases all of its buildings (including the Leisure Centre) from Shropshire Council on a ‘full maintenance’ long lease which means the school has full responsibility for all upkeep of buildings.
- 1.2. The Leisure Centre facilities are used both for educational purposes and community use. The Leisure Centre was formerly run by Shropshire Council as part of the “Joint Use” arrangements, however Shropshire Council wished to withdraw from this role in directly providing facilities. Following a tendering exercise Halo Leisure Services Ltd (a social enterprise and registered Charity) took over management of the Leisure Centre in 2015. The Joint Use agreement was formally terminated in 2016.
- 1.3. During 2016 Bridgnorth Town Council considered a request from Shropshire Council to support the Leisure Centre financially in the light of their intention to reduce their budgeted expenditure on leisure facilities. A Working Group from the Town Council was briefed on the Leisure Centre’s financial position and future plans. The amount of subsidy required to maintain community use of the leisure facility was relatively modest. Shropshire Council has contractually committed to provide revenue funding to a fixed schedule of between £25,000 and £37,500 a year annually up until 2020, equating to between 10p and 16p per user visit. In the light of Shropshire Council’s contractual commitment to support the Leisure Centre financially up until 2020, and planned investment which may help make the Leisure Centre financially self-sufficient by then, the Town Council decided at its meeting on 20th September 2016 that it need not consider financial support at that time but that the matter should be reviewed as the effects of planned investment on revenue become clearer.
- 1.4. Shropshire Council’s Leisure Facilities strategy has evolved in the intervening period. Initially it had been proposed that the facility in Bridgnorth no longer form part of Shropshire’s core leisure network, but following consultation a revised strategy which includes retention of the Bridgnorth Endowed Leisure Centre as a Tier 1 Leisure Hub will be considered by Shropshire Council’s Cabinet on 21st June 2017. The Cabinet report makes the following statement about funding:

“Revenue support to each of the Tier 1 Leisure Hubs is currently subject to existing operating agreements, but it is envisaged that following the end of these agreements, ongoing revenue support will be determined in the context of required outcomes, priorities and the financial situation at the time.

Revenue support (during the strategy period) to the four Tier 2 facilities that will not be supported beyond the end of 2022/23 and the six Tier 3 facilities that will not be supported beyond the end of 2018/19 will be negotiated on an individual basis.

Growing a facility’s individual ‘facility mix’ through investment and innovation has and will continue to show an increase in usage at those particular sites. The Council will continue to work in partnership with Sport England to acquire external funding to ensure the future sustainability of leisure facilities, particularly Tier 1 and Tier 2 facilities. Access to the Council’s Capital Programme will also be pursued. Projects will be appraised on an individual basis. Where the responsibility for the management of centres is being transferred to new organisations, we will adopt an “invest to save” approach within the context of wider commercial discussions and considerations.

It is recognised that the detailed approach described here will need to be reviewed in the light of the Council’s financial strategy and emerging forecast financial position.”

- 1.5. The report further states that *“There is a potential year on year revenue commitment to supporting the provision of Tier 1 Leisure Hubs within six key locations, with the aim of moving them to a cost neutral position where possible”* and notes that Shropshire Council overall has a projected funding gap of £36.6m by 2019/20.

2. The Leisure Centre Improvements

- 2.1. In order to encourage more customers and move the Leisure Centre closer to being financially self sustaining the school and Halo have carried out improvements to the facilities generally and have begun work to upgrade the pool and the changing rooms, which were in a poor condition. Initially funding of £260,000 was obtained, however during the initial phase of the work it was discovered that the steel supports for the roof were corroded to the point where the entire structure was unsafe. The projected cost of the project rose to over £600,000. The Swimming Pool has been closed since October 2016.
- 2.2. The school secured further substantial grants from Sport England and the Education Funding Agency bringing the total to approximately £540,000 leaving a shortfall of £71,000 needed to complete the works.
- 2.3. It is understood that the basic work needed for the Swimming Pool to reopen will be completed in June 2017 however the previous public changing rooms, which were stripped out in the initial phase of the improvement works, would not be available until further work has been carried out. Without the pool’s own changing rooms, the centre will have to use the school’s own changing rooms, which are located away from the pool, as a temporary measure. This is inconvenient for pool users and also means the school must enact additional safeguarding measures during school hours.

2.4. Provision of the upgraded changing rooms was a key part of the strategy to make the Leisure Centre more attractive to users and assist its transition to financial self – sufficiency. Delay in progressing the changing room refurbishment potentially increases the cost, jeopardises the achievement of improved public usage, and potentially delays the achievement of financial self - sufficiency.

3. Fundraising

3.1. The school has its own financial pressures as a result of the Government's school funding policy and would not be able to commit further funds from its own resources for the non-core activity of providing a public leisure facility. Funding of the balance of the Leisure Centre works must thus be obtained from elsewhere. It is not felt that further funding would be available from the national funding bodies which have already contributed.

3.2. Although Shropshire Council apparently do not have a contractual obligation to contribute to the cost of completing the works, it is understood that they would be prepared to contribute as part of a broader package of funding.

3.3. Money is being raised from the public through an appeal, however raising a substantial portion of the funds needed would clearly take a long time and reliance on this for a major part of the funding could delay the project.

4. Potential Bridgnorth Town Council involvement

4.1. In the light of the above the Town Council may wish to consider whether it should contribute to the one off costs of completing the works to enable the upgraded facility to be brought fully into use as soon as possible.

4.2. It is understood that the Town Council may be able to do this through a capital grant to the school, with the cost being defined as capital expenditure for the Town Council under the terms of the Local Authorities (Capital Finance and Accounting (England)) Regulations 2003.

4.3. A capital grant could be funded through the Town Council's accumulated capital receipts from previous asset sales, which can only be used as prescribed by the above regulations. These currently amount to £214,991 out of the Town Council's total reserves of £585,499.

4.4. The Town Council has budgeted to use £145,000 of its useable capital receipts during 2017/18 for an extension to the Cemetery and works to upgrade facilities at College House and Severn Park. The Council has additionally agreed in principle to explore the possibility of constructing permanent toilet facilities and a kiosk at Severn Park, but this does not amount to a firm commitment and has not been costed at present.

5. Proposal

- 5.1. That the Town Council agrees in principle to make a grant to Bridgnorth Endowed School towards the cost of the Leisure Centre improvements as part of an overall funding package to include contributions from Shropshire Council and community resources, funded from the Town Council's historical accumulated capital receipts of £214,991.
- 5.2. The Council is asked to determine the maximum amount of grant it would be prepared to offer on the above basis.