

Report to: EXECUTIVE CABINET

Date: 25 October 2023

Executive Member: Councillor Jacqueline North – First Deputy – Finance Resources & Transformation.

Reporting Officer: Chris Fairbrother, Head of Estates

Subject: **FORMER ACTIVE TAMESIDE SITES – ASHTON SWIMMING POOL AND LONGDENDALE RECREATION CENTRE**

Report Summary: The Council has agreed to accept a surrender of the lease of Ashton Swimming Pool and Longdendale Recreation Centre from the existing lease agreement between the Council and Active Tameside.

As part of that approval, the report seeks Executive Cabinet approval to declare both sites surplus to Council requirements in accordance with the Council's disposal policy, and to seek approval to demolish both existing buildings. Accordingly, this report is seeking approval to progress with the surplus declaration process together and approval to demolish both existing buildings.

This report also addresses the petition received 22 August 2023 to save the Active Ashton Centre

Recommendations: That Executive Cabinet:

1. Having considered carefully the petition to save Active Ashton and other correspondence of a similar nature, the costs required to address the condition and health and safety of the pool together with ongoing revenue costs including utility costs and declare the former Ashton Swimming Pool and Longdendale Recreation Centre sites, and adjacent Council owned car park at Longdendale, as surplus to the Councils operational requirements. This is consistent with the Cabinet decision made in 2016
2. Approve the proposed demolition of the existing buildings on each site based on the estimated costs of £1.771m in this report.
3. Approve the creation of a capital budget of £2.000m for the demolition of the existing buildings in the capital programme to cover demolitions estimates and contingency.
4. Approve the use of un-earmarked reserves, noting this will reduce the available capital reserves to support risk smoothing, transformation and other Corporate Priorities and that the costs of the demolition works will need be capitalised as part of a wider programme of works to deliver enhancements to Ashton Town Centre.
5. That the Council accept the Sport England funding award and administer the payment to Active Tameside subject to the Council's S151 officer and Head of Legal Services being satisfied that the terms and conditions of the grant do not create any additional risks for the Council and noting that the grant awarded can only be used to provide revenue support

towards the utility costs at Active Copley and Active Hyde and no other venue or centre.

6. Approve the submission of a bid by the 17 October 2023 for Phase 2 funding as outlined in Section 6 to reduce future revenue costs at Denton Wellness Centre and Active Copley.

Corporate Plan:

The future use of the sites need to help contribute to delivering corporate priorities around housing, economic growth and employment.

Policy Implications:

The Council are seeking to comply with the Disposal Policy approved by Executive Cabinet in September 2020, by acting in a fair and transparent manner.

**Financial Implications:
(Authorised by the
statutory Section 151
Officer & Chief Finance
Officer)**

The Council does not have a revenue budget or a budget in the capital programme for these demolition works, estimated at a total £1.771m. There is no funding source identified with these demolition works. They can only be capitalised as part of a wider programme of works to deliver enhancements to the site.

If these are capitalised works, there are 4 options to finance the scheme:

1. Delay or stop currently proposed capital schemes and transfer the funding from these schemes to the demolition budget
2. Approve the use of unearmarked reserves, reducing the available capital reserves to support risk smoothing, transformation and other Corporate Priorities by £2.000m
3. Fund from the revenue budget, which at month 4 had underlying risks of £11m to the position and financing these works will make the use of reserves all the more likely to support the revenue budget
4. Borrow the funding from an external source such as the Public Works Loans Board as part of a wider scheme to deliver a comprehensive outcome from which the Council benefits its General Fund.

Option 1 is recommended as allocated funding not yet used can be recycled into the urgent demolitions works and future capital receipts can support the delayed schemes. Options 2-4 are detrimental to the revenue position and are not recommended.

Ashton Swimming Pool

There is no existing revenue budget for Ashton Pool. The lease agreement with Active Tameside requires that all running costs, internal repairs and maintenance are met by Active Tameside. Termination of this facility in the lease will result in the Council taking on responsibility for Business Rates of £0.051m per annum and any costs associated with security, maintenance and ensuring the building is safe. A condition survey undertaken in 2021 identified £0.610m backlog maintenance costs and the building condition has significantly deteriorated since then as the building is now outside its normal lifespan.

Due to the condition and estimated backlog maintenance on the building, continued operation of the site is not considered to be financially viable. Demolition and disposal of the site is therefore

being considered. The costs of demolition will result in budget pressures which will need to be funded. High-level estimates for demolition have now been received, with an estimated cost of demolition of £0.964m, but these costs can be capitalised and financed from a future capital receipt if demolition is considered to enhance the future value of the site.

Longdendale Recreation Centre

There is a small revenue budget for Longdendale Recreation Centre which covers the cost of grounds maintenance. Budget and Actuals in 2022/23 were as follows:

Longdendale Sports Centre	
2022/23 Budget	£0.007m
2022/23 Actual Expenditure	£0.007m

The lease agreement with Active Tameside requires that all running costs, internal repairs and maintenance are met by Active Tameside. Termination of this facility in the lease will result in the Council taking on responsibility for Business Rates of £0.023m per annum and any costs associated with security, maintenance and ensuring the building is safe, a condition survey undertaken in 2021 identified a backlog maintenance liability of £0.290m.

The Council will be liable for the on-going occupational costs, for which there is no budget, and this will place a pressure on the existing revenue budget. Demolition and disposal of the site is therefore being considered, the costs of demolition will result in budget pressures which will need to be funded. High-level estimates for demolition have now been received, with an estimated cost of demolition of £0.807m but these costs can be capitalised and met from a future capital receipt if demolition is considered to enhance the future value of the site.

Please note that the demolition costs for both buildings are based upon a high-level estimate of the demolition costs of the former Denton Baths, with an allowance for inflation, contingency and an allowance for the removal of asbestos, however the final cost for each building is dependent upon intrusive surveys being undertaken, and for which it has only been possible to instruct recently. It is recommended that approval of the final costs when received, if greater than the costs estimated are delegated to the First Deputy, Cllr North, in consultation with the S151 officer.

Swimming Pool Support Fund

The Council has been successful in its bid under Phase 1 of the Swimming Pool Support Fund. The following grant has been awarded to provide revenue support towards utility costs across sites at Active Copley and Active Hyde;

Active Copley	£110,000
Active Hyde	£197,500
Total	£307,500

The funding will be transferred to Active Tameside in order to alleviate in year cost pressures in line with the intended purpose of the grant.

Work is ongoing to formulate a bid for Phase 2 funding as outlined in Section 6. This bid will be for capital investment in order to reduce future revenue costs at Denton Wellness Centre and Active Copley.

The deadline for the bid is 17 October 2023, further updates will be provided in due course.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

As the tenant has now surrendered these properties the council needs to consider their future both in terms of service delivery and the council's disposals policy.

For the reasons set out in the report the proposed option is for demolition of the current buildings and the disposal of the two sites.

The council has a robust and transparent process to declare the assets surplus which has been followed. In due course further due diligence and decision making will be required as the sites are disposed of to ensure that all relevant legislation including S123 Local Government Act 1972 is fulfilled.

There is a basic requirement for planning permission to be obtained for demolition which will be managed by the project officers.

The terms of the Sports England funding are reasonable and proportionate. The project officers must ensure that they utilise the funding in accordance with the terms of the funding so as not to trigger the clawback provisions. This will be achieved by way or robust project management.

As set out in section 3 of the report the council has not only given careful consideration to the petition to save the swimming pool but in particular given careful consideration to the ongoing provision swimming lessons which has been secured.

Risk Management:

The Council's Disposal Policy ensures that a robust and transparent process is undertaken when assets are declared surplus to the Council. Moreover, the policy seeks to ensure that any disposal is carried out in a fair and transparent manner. Through compliance with the policy, it is anticipated that any risks associated with the sale of surplus land and property is mitigated.

Access to Information:

Appendix 1	Longdendale active site plan
Appendix 2:	Ashton Swimming Pool site plan
Appendix 3:	Tameside Active Swimming Pools revised schedule
Appendix 4:	Location of Active pools
Appendix 5:	EIA Ashton Active
Appendix 6:	EIA Longdendale Active

Background Information:

The background papers relating to this report can be inspected by contacting Chris Fairbrother



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1. INTRODUCTION

- 1.1 In 1999, the Tameside Sports Trust was established, which operates under the trading name of Active Tameside. The Tameside Sports Trust is a registered charity contracted by the Council to operate nine sport and leisure facilities under a lease agreement and a community physical activity and wellbeing programme. An annual management fee is paid to Active Tameside to deliver public benefit and health outcomes, in keeping with its charitable objectives, with all surplus revenues retained to support its reserves policy and/or re-invested into services and facilities.
- 1.2 On 3 July 2023, Active Tameside publicly announced the closure of three sites from their existing portfolio of leisure facilities and are seeking to return these sites to the Council. The three sites affected are Ashton Swimming Pool, Longdendale Recreation Centre and the Etherow Centre. The last operating day by Active Tameside for Etherow was Friday 01 September 2023, followed closely by the Ashton and Longdendale facilities which closed on Sunday 03 September 2023. The Etherow Centre is a property, which the Council leases and a short-term arrangement has been agreed with the Etherow Trust to enable the facility to remain open to the public until a sustainable solution can be identified.
- 1.3 The Council owns the freehold interest of the Ashton Swimming Pool and Longdendale Recreation Centre sites but has no funding to continue to run the premises with the current activities. In order to provide a more attractive development opportunity for the Longdendale Recreation site, it is proposed to include the adjacent council owned car park and ancillary land identified edged red on the plan in **Appendix 1**. The Longdendale Recreation Centre is edged blue, which would otherwise remain as an unused area of land. This would not be released until practical completion of the new Hawthorn school, in September 2024, as it is currently used for the site's contractor vehicle parking.
- 1.3 This report is seeking approval to progress the surplus declaration process for both sites and also for the Council owned car park and ancillary land as identified as edged red on the plan in **Appendix 1**, and approve the demolition of both buildings, based upon the costs detailed in this report.

2. CURRENT POSITION

Ashton Swimming Pool

- 2.1 The property comprises a single storey swimming baths, which was extended in 2010. The property is situated on the southern side of Katherine Street and to the north of Water Street. The extent of the property, which is demised to Active Tameside under a lease is identified outlined in red on the attached plan in **Appendix 2**.
- 2.2 The current rateable value is £100,000, which will represent an annual rates payable liability to the Council of £51,200. The Council will become liable for the payment of the business rates after expiry of the initial 3 months relief. The property was transferred back to the Council on the 15 September 2023. In addition, there will be the costs of management, security and maintenance. The building has reached the end of its economic life, requiring significant levels of investment to keep it operational. A condition survey undertaken in 2021 which identified £0.610m of backlog maintenance was required and the building condition has significantly deteriorated since then.
- 2.3 High level estimates for demolition have now been received, with an estimated cost of demolition of £0.964m, but these costs can be capitalised and financed from a future capital receipt if demolition is considered to enhance the future value of the site.
- 2.4 The Council was notified that an application to list Ashton Leisure Centre has been submitted to Historic England in September 2023 and on the 3 October 2023 Historic England

confirmed to the Council that following their investigation, advice and recommendation that the Secretary of State has decided that it would not be listed.

Longdendale Recreation Centre

- 2.5 The property comprises two high bayed steel portal frame warehouses with part brick elevations and part cladding to upper parts and roof. The main building extends to circa 1,236 square metres which includes two main halls, a dance studio together with reception, changing rooms, office and ancillary accommodation. The extent of the property demised to Active Tameside under the existing lease, is outlined in blue on the attached plan in **Appendix 1**.

The current rateable value is £47,000, which represents an annual rates liability of c£23,000. When the property is surrendered from the lease, the Council will become liable for the business rates after expiry of the initial 3 months empty rates allowance, the property was transferred back to the Council on 15 September 2023. In addition, there will be the costs of management, security and maintenance. A condition survey undertaken in 2021 identified a backlog maintenance liability of £0.290m.

- 2.7 In terms of mitigating the empty building costs liability post-surrender, the aim is to reduce the Council's liability and maximise the value of any capital receipt, it is proposed to undertake a marketing exercise inviting offers to purchase and develop this site along with the larger adjacent council owned car park, which should prove attractive for residential development.
- 2.6 The site is located adjacent to the new Hawthorns school, currently under construction and due to complete September 2024. The Academy which will be occupying the new school has expressed an interest in the site, so they would be able to submit an offer as part of the marketing process, it is important to recognise that the Council will be seeking to mitigate its liabilities and maximise a capital receipt from the disposal
- 2.7 There is a small detached changing room adjacent to the Longdendale recreation building, which can be identified on the plan in **Appendix 1**, which is currently proposed to be refurbished for use by the teams using the new playing pitches to be constructed on the Hawthorn School site. This will now have to be reviewed in the light of the Active Longdendale closure and a separate report will be submitted to a future Executive Cabinet addressing both this and the successful outcome of the Football Foundation grant application for the two pitches, which has recently been received.
- 2.8 The demolition costs for both these buildings are a high-level estimate based upon the costs of demolishing the former Denton Baths, with an allowance for inflation and contingency, and an allowance has been made for the removal of asbestos, however, the final cost for each building is dependent upon intrusive surveys, which it has only been possible to undertake recently.

3. PETITION RECEIVED TO RECONSIDER CLOSING THE ACTIVE ASHTON SWIMMING POOL

- 3.1 A petition with 7,000 signatures was lodged with the Council on 22 August 2023, requesting the Council to consider keeping the Active Ashton Pool building open. Additionally, there have been numerous other similar correspondence seeking the same.
- 3.2 The Council has carefully considered this request as part of this report and has taken account of a number of issues before reaching its conclusion. Active Tameside's proposal to close these facilities was of course disappointing for everyone especially Active Tameside. Active are an independent, not-for-profit charity, and provide some of the best health and wellbeing services across Tameside. However, there are a number of issues, which have to be taken into account when reviewing the building's future. The Ashton leisure centre was constructed

over 50 years ago, it is highly inefficient, and with rising energy costs and inflation, was being run at a considerable financial loss to Active Tameside. As highlighted earlier in this report, the building has reached the end of its economic life, requiring significant levels of investment to keep it operational. A condition survey undertaken in 2021 identified £0.610m backlog maintenance was required and the building condition has significantly deteriorated since then. The closure of this building along with the Longdendale and Etherow centres was made to enable Active Tameside to sustain their current business model and secure the future of the whole leisure offer through the remainder of their estate.

- 3.3 The Council's finances means that it is not in a position to pay more for the services and Active have not until now been able to access any government support to deal with the excessive energy costs. With the ongoing increased running costs, and the Ashton facility being past its end of life and requiring significant investment, it is no longer feasible to keep this building open.

In considering need, it has been confirmed that all the group activities, which took place in Ashton swimming pool, such as school swimming lessons and swimming clubs are still being delivered within the Borough and have all been successfully relocated and accommodated within the four remaining Tameside Active Swimming Pools. These are detailed in the table in **Appendix 3**, and the alternative locations are identified on the plan in **Appendix 4**. All are located within 3.6 miles from Ashton Swimming Pool. These being: Active Copley, 2.8miles; Active Hyde, 3.6miles; Active Medlock, 3.4miles and the Tameside Wellness Centre (Denton), 2.7miles from Active Ashton. The Council will continue to seek assurances and clarification from Active on the clubs and school swimming lessons to ensure that they continue to be delivered and will support Active Tameside like we would any other organisation to ensure the best outcome possible for residents.

- 3.4 Consequently, the Council is unable to support the Petition received to keep Ashton Swimming Pool open as it has insufficient capital to repair and maintain in a safe condition and insufficient revenue to manage the day to day running costs.

4. DECLARING ASSETS SURPLUS TO REQUIREMENTS

- 4.1 In accordance with the Council's Corporate Policy: Disposal of Council Land (September 2020), there are three clearly defined stages of governance for the disposal of any Council owned land or buildings. These comprise (i) Executive Cabinet approval to declare an asset surplus to requirements; (ii) approval of the route to market; and (iii) approval for the proposed price and terms. This report seeks approval to progress the first stage of the process which is to seek Executive Cabinet approval to declare the two sites surplus to requirements.

- 4.2 Within the disposal policy there is a clear criteria by which an asset shall be deemed surplus to the Council's operational requirements, through application of the 'surplus test.' Under this test, an asset will be deemed surplus where:

- It makes no contribution to the delivery of the Council's services, strategic or corporate objective.
- An alternative site has been identified that would be more costs effective in delivering the Council's services, strategic or corporate objectives.
- It has no potential for strategic or regeneration/redevelopment purposes in the near future.
- It will not contribute to the provision of a suitable pattern of development; and
- It will make no contribution to protecting and enhancing the natural, built and historic environment, including making no contribution to helping biodiversity.

- 4.3 Following closure of the Active Tameside Facilities, it is considered that the proposal to declare Ashton Swimming Pool and Longdendale Recreation Centre surplus, would be consistent with the surplus criteria stipulated in the disposal policy.

5. EQUALITIES IMPACT ASSESSMENT

- 5.1 Active Tameside have completed an Equalities Impact Assessment (EIA) in relation to the closure of each site. A copy of the EIA for Ashton Leisure Centre is in **Appendix 5**, with the EIA for Longdendale Recreation Centre in **Appendix 6**.
- 5.2 There has been public concern over the closure of the Active Ashton centre, given the impact on swimming and other exercise classes. However, Tameside Active have sought to mitigate this impact by moving such classes and sessions to their other sites. It can be confirmed that all group activities, such as school swimming lessons and swimming clubs are still being delivered within the Borough and have all been successfully relocated and accommodated within the four remaining Tameside Active Swimming Pools. These are identified on the plan in **Appendix 4**, all are located within 3.6 miles from Ashton Swimming Pool, these being: Active Copley, 2.8miles; Active Hyde, 3.6miles; Active Medlock, 3.4miles and the Tameside Wellness Centre (Denton), 2.7miles from Active Ashton.
- 5.3 Aside from the facilities provided by Active Tameside, there are private sector pool facilities that are available across the area, including in Ashton (Village Hotel 25 metres), Hyde (Village Hotel 25 metres) and Stalybridge Gymetc 18 metres).
- 5.4 Tameside's public provision compares favourably to its neighbouring councils:
- In Tameside there are 5 pools operating (Ashton, Copley, Hyde, Medlock, Denton) dropping to 4 with the closure of Active Ashton.
 - Stockport have 5 pools in operation at this point in time.
 - Oldham have 5 pools in operation at this point in time.
 - Rochdale have 3 pools in operation at this point in time (Middleton, Rochdale, Heywood).
 - Bury have 3 pools in operation at this point in time (Castle, Radcliffe, Ramsbottom).
 - Trafford have 5 pools in operation at this point in time.
 - Bolton have 5 pools in operation at this point in time.
- 5.5 Additionally Active Oxford Park, Ashton is in close proximity and has sport hall and gym provision accessible to the public and groups within the community.

6. SWIMMING POOL SUPPORT FUND

- 6.1 In the 2023 Spring Budget, the Chancellor announced the Swimming Pool Support Fund (SPSF), making available £60 million support for public swimming pool providers. The funding is to be distributed in two phases: Phase I offers £20 million to alleviate immediate cost pressures by providing revenue support. Phase II will allocate £40 million in capital investment to enhance the energy efficiency of facilities and help secure their financial stability for the future. This capital investment will be accompanied by an additional £20m of capital funding provided by Sport England to support investment in local authority swimming pools to support the reduction of operating costs and energy consumption over the medium term. The overarching purpose of the programme is to support the survival of public sector swimming pools facing increased operating costs and thereby protect the wider health outcomes, economic and lifesaving water safety benefits they provide.
- 6.2 The Phase 1 fund opened to all councils in England back in July 2023 with a maximum of £500,000 available per applicant, based on data showing the impact of rising costs. Local authorities needed to submit one application covering the publicly-accessible pools in their area. An application to the fund was submitted by the Council in August. The Council has now received notification from Sport England, the scheme administrator, that an award of £307,500 has been provisionally made to the Council to support the operational costs of Active Tameside at Active Copley and Active Hyde specifically subject to the Council's acceptance of the schemes standard terms and condition.

- 6.3 It is proposed that the Council accept the terms and conditions of Sport England award and administer the payment to Active Tameside accordingly subject to the S151 officer and the Head of Legal being satisfied there are no adverse requirements that cannot be mitigated so the Council is not left exposed to significant risks of recovery of the grant.
- 6.4 Swimming Pool Support Fund: Phase II – Capital has been opened by the government on the 7 September 2023 to the 17 October 2023 for submissions from facilities with public leisure facilities with swimming pools with increased cost pressures. Phase II will fund eligible costs relating to capital investments that reduce swimming pool facilities' energy consumption levels.
- 6.5 In addition, the 151 officer is authorised to submit a phase 2 application to Sport England for Denton Wellness Centre and Active Copley which we believe matches the criteria.

8. RECOMMENDATIONS

- 8.1 As set out at the front of the report.