

BABERGH DISTRICT COUNCIL

FROM: CORPORATE DIRECTOR

REPORT NUMBER **E275R**

TO: STRATEGY

DATE OF MEETING 9 FEBRUARY 2006

THE FUTURE OF HADLEIGH SWIMMING POOL, EAST HOUSE AND LAND ADJACENT TO BRETT WORKS, HADLEIGH

1. SUMMARY

1.1 This report sets out options for the future of Hadleigh Swimming Pool, East House and land adjacent to Brett Works, Hadleigh.

2. RECOMMENDATIONS

2.1 That the Acting Head of Legal and Administrative Services be authorised to commence negotiations for the sale of land providing access to the proposed superstore site at Brett Works, Hadleigh.

2.2 That Babergh continues to seek to persuade Hadleigh Town Council to jointly negotiate the sale of land in our ownerships which provide access to the proposed superstore site at Brett Works, Hadleigh, in order to jointly maximise the value of our land holdings.

2.3 That, following the decision of Suffolk County Council that it can no longer support the community groups by the provision of accommodation at East House, Hadleigh, the Acting Head of Legal and Administrative Services be authorised to:

- (a) market and sell the unencumbered freehold interest with vacant possession in East House, Hadleigh, in order to generate a capital receipt; in accordance with terms approved by the Council's Valuer; or
- (b) grant a short term letting for the use of East House, Hadleigh, by community groups, which currently use the building in order they have additional time to secure alternative accommodation upon such terms as approved by the Acting Head of Legal and Administrative Services. Any such short-term letting to be on the basis of:
 - no additional costs of maintaining and owning the building fall upon Babergh
 - at the expiry of the letting Babergh is able to secure vacant possession of the building.

2.4 That the timing and details of a feasibility study, at an estimated cost of £30,000, for a new Hadleigh Swimming Pool be triggered by Strategy Committee when and if progress is made upon generating the capital receipts referred to above.

3. FINANCIAL IMPLICATIONS

3.1 The proposed sale of assets set out in this report will generate capital receipts which could make a substantial contribution to the capital cost of a new swimming pool for Hadleigh and reduce future borrowing for any such pool, which would otherwise have to be borne by the Council Taxpayer.

4. **KEY INFORMATION**

History and Background to Hadleigh Swimming Pool

- 4.1 Built in 1970-71, the five lane, 25 metre pool cost £65,000 of which £20,000 was raised locally. The balance was found from central and local government sources.
- 4.2 Since 1986 Babergh has invested £550,000 of capital expenditure in the pool, together with revenue maintenance costs and grant aid. The 2004 Best Value Review of Cultural Services reviewed the need for further capital investment to sustain the services provided at the facility, and concluded the existing pool could not be refurbished or repaired at a reasonable cost. Any substantial level of investment in the facility would have to be weighed against the fact that much of the pool's fabric and equipment is life expired, and there are concerns regarding the structural integrity of the pool tank.

Current Position and Potential Costs of a New Pool

- 4.3 Current estimates indicate a new pool would cost £3.25m. In addition there would be capital and revenue costs of maintaining a new pool.
- 4.4 Babergh has allocated £30,000 in its draft budget for a feasibility study which would determine in detail the costs and siting of any new pool. Any such feasibility study would need to be carried out in full consultation with our partners and stakeholders.
- 4.5 Babergh's current stance is that the cost of £30,000 for a feasibility study should only be incurred when there is a realistic prospect of achieving the estimated £3.25m capital cost of the pool, otherwise Council Taxpayers could find themselves paying for a study whose recommendations cannot be afforded.
- 4.6 Strategy Committee on 4 August 2005 considered not only the costs but also the benefits of a new pool for Hadleigh. A new pool would contribute to delivery of a number of Council objectives, not least promoting healthy living and reducing health inequalities and maintaining a safe and clean environment.
- 4.7 However, the Council's 2004 Best Value report also showed that in terms of value for money (based on usage and cost) and its contribution to meeting the Council's objectives, the building of a new pool for Hadleigh came out third after the funding of dual use sports centres and arts development. Hence, the possibility of providing a new pool at a cost of £3.25m needed to be seen in the context of the Council's overall investment in leisure. Over recent years this has been considerable and includes significant capital contributions to a range of community facilities across the district, additional revenue support for four dual use sports centres and the Be Active Leisure Inclusion and Arts and Community Development posts (both benefiting the whole district).
- 4.8 Strategy Committee on 4 August 2005 resolved:
- (1) That in the absence of significant external funding from Government or other funding sources and taking into account the following:
 - (a) the need to represent the interests of the District Council residents as a whole;
 - (b) the Council's overall priorities;

- (c) the Council’s desire to respond to the wishes of the public to keep Council Tax increases as low as possible;
- (d) the risk of capping, even if Council Tax increases above the capping level were supported by the public

the Committee could not at this stage commend to the Council incurring the likely costs of building a new swimming pool in Hadleigh.

- (2) That taking into account the views set out in (1) above, the principle of the affordability of a new pool forms part of the debate at the State of the District Forums being held in September and the special public meeting in Hadleigh at the end of August.

4.9 In seeking residents’ views on the affordability of a new pool, views were canvassed by:

- holding a “Hadleigh Pool” public meeting at Hadleigh.
- holding Residents’ Forums at Hadleigh, Sudbury and Stutton.
- a questionnaire in Babergh Matters!

4.10 The results of these consultations were:

	Approximate Attendance/ Response	Agreement to pay additional Council Tax for a pool	Agreement that money should be moved from other priorities to pay for a pool
Babergh Matters! Questionnaire	Circulated to 35,000 households. 5,770 returned – at 16% the highest response rate to a Babergh Matters! survey	25%	19%
Hadleigh Pool Meeting	250	91%	61%
Sudbury Residents’ Forum	65	36%	13%
Hadleigh Residents’ Forum	45	61%	34%
Stutton Residents’ Forum	35	21%	9%

4.11 In view of the decision of Strategy on 4 August 2005 and the outcome of the public consultation, officers have sought to identify alternatives to Council Tax for the funding of a new pool for Hadleigh.

4.12 The support of Hadleigh Town Council in raising a contribution of £29,000 (the frequency of which has still to be established) is welcome. Unfortunately, in the absence of any other external funding from Government or other sources and in the absence of generating additional income from charging for the use of Council assets, the only available source of funding is the difficult and contentious issue of asset sales. Two potential assets have been identified:

- land providing access to the proposed superstore at Brett Works; and
- East House.

The report will now deal with each of these in turn.

Land Providing Access to the Proposed Superstore at Brett Works, Hadleigh

- 4.13 The proposed access to the site cuts across land owned by both Hadleigh Town and Babergh District Councils. Any sale would be on the basis of Babergh District Council and Hadleigh Town Council acting in their capacity as landowners and on the basis that they were seeking to achieve best value for their assets on behalf of the local community. The issue of consent or refusal for a superstore would be a separate matter and subject to the normal planning process.
- 4.14 Babergh, in its capacity as landowner, could open negotiations for the sale of its land, whilst at the same time inviting Hadleigh Town Council to consider the merits of opening joint negotiations in order to maximise the value of both our assets.

East House, Hadleigh

- 4.15 East House is a Grade II* listed building let to Suffolk County Council. The rental income received from the County is £35,000 pa, with the County also paying the rates of £14,981 (2005/06) and being responsible for repairing and maintaining the building.
- 4.16 Suffolk County Council has sub-let the building to a number of community groups, but has decided that it no longer requires the accommodation and can no longer afford to support the community groups by the provision of accommodation at East House. Hence SCC has served notice to terminate the lease on 31 March 2006 and will return the property with vacant possession.
- 4.17 Babergh has sought to persuade SCC to take a short-term new lease on the property from 1 April 2006, at a reduced rent, in order to provide a further extended period for the community groups to continue their occupation and seek alternative accommodation. Unfortunately SCC has been unable to accept this offer. Whilst SCC agreed to extend the lease from 23 January 2006 to 31 March 2006, it has been unable to agree any further extension.
- 4.18 In addition, discussions have been held with Babergh Communities Together (BCT), a group of voluntary and statutory agencies who have shown an interest in forming a Trust to take on a lease of the building. Whilst Babergh would have been recommended to accept a reduction in rent to assist BCT, there would have been the issue of rates. Had BCT achieved charitable status they would have been exempt from paying rates, but they have yet to achieve this status which could take a further six months to resolve.
- 4.19 On the same basis that SCC is unable to support the cost of the community groups continuing to occupy East House, it would be equally difficult for Babergh, with far fewer resources than SCC, to support those costs.
- 4.20 Babergh is aware of the benefits of the work of the community groups and has sought to assist them in their search for alternative accommodation. A number of community groups have found alternative accommodation, but it may be that some will require further help and time. An update on the position of the community groups will be provided at the committee meeting.
- 4.21 Hence there would appear to be two main options for the future of East House:
- (a) dispose of the freehold of the property on the open market in order to generate a capital receipt which could be used to fund a new pool for Hadleigh;

- (b) enter into a new short leasing arrangement with the existing occupiers. It is suggested that the purpose of any such letting would be to allow more time for the community groups to secure alternative accommodation whilst ensuring that no additional costs fell on Babergh Council Taxpayers and that Babergh was able to achieve vacant possession of the building at the expiry of the lease.

5. **CONCLUSION**

- 5.1 The present Hadleigh Swimming Pool is nearing the end of its expected lifespan. Whilst Babergh will seek to keep the existing pool open as long as reasonably possible, it does face the challenge of whether and how to finance a new pool.
- 5.2 Babergh has consulted widely with residents and with partners to seek sustainable solutions for the provision of swimming facilities in Hadleigh.
- 5.3 However, in the absence of:
- external capital funding from Government or other sources
 - the ability to generate additional income from charging for the use of Babergh assets
 - widespread public support to increased levels of Council Tax

then the only source of funding would appear to be the sale of assets.

- 5.4 Hence this reports sets out options for sale of assets generating capital receipts. Whilst the total value of these receipts would not fund the total cost of a new pool, they would make a substantial contribution to the cost.

6. **APPENDICES**

None.

7. **BACKGROUND PAPERS REFERRED TO**

- (a) Paper E81 – Report to Strategy Committee, 4 August 2005 – Hadleigh Swimming Pool
- (b) Paper D121 – Report to Overview & Scrutiny (Community Services) Committee, 24 August 2004 – Best Value Review of Cultural Services

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