

Arun District Council

REPORT TO:	Policy and Finance Committee – 7 March 2024
SUBJECT:	Swimming Pool Support Fund Phase 2 Grant
LEAD OFFICER:	Fraser Kidd, Wellbeing Business Manager
LEAD MEMBER:	Councillor Matt Stanley
WARDS:	Arundel and Walberton and Beach
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:	
<p>IMPROVING THE WELLBEING OF ARUN: To plan services, resources, amenities, activities, and places to help our community thrive.</p> <p>SUPPORTING OUR ENVIRONMENT TO SUPPORT US: Support information campaigns that promote carbon reduction and funding opportunities.</p>	
DIRECTORATE POLICY CONTEXT:	
Improve and support the Council’s target to become carbon neutral by 2030	
FINANCIAL SUMMARY:	
<p>On 30 January 2024, the Council received notification of a Capital Grant Award of £135,470 from the Swimming Pool Support Fund. This amount is split as below:</p> <ul style="list-style-type: none"> • Funding source from the Exchequer of £45,070 awarded to Littlehampton Wave for Photo Voltaic (PV) Panels. • Funding source from National Lottery of £90,400 for Arundel and Downland Community Leisure Trust (Arundel Lido). Split £13,400 for Main Pool Cover and £77,000 for PV Panels. 	

Reasons for urgency: *[For urgent/late reports only:]* The special circumstances for non-compliance with Access to Information Procedure Rules Part 6 Section 1 Paragraph 5.1 and Section 100B (4) of the Local Government Act 1972 (items not to be considered unless open to inspection at least 5 days before the meeting) are that:

- There are no confirmed meetings of the Policy and Finance Committee until July 2024. Bringing this report to members in July would delay approval for the capital grant amount being added to the capital programme for financial year 2024-2025. This could lead to increased risk of failure for the projects being completed due to the deadlines for delivery within the grant agreement.
- Notification from Sport England of the successful application of the capital grant was delayed by one month from December 2023 to January 2024 due to the number of applications.
- Delaying to the next Policy and Finance committee would delay procurements of contractors and completion of works which have a deadline of 28 February 2025 with retrospective payment deadlines by the end of March 2025.

- There is separately a financial benefit to completion of the projects as soon as possible due to the energy efficiency of the projects and reduction in carbon emissions after completion.
- **Please note:** A separate report to the Housing and Wellbeing Committee on 26 March 2024 will ask for approval to draw down the grant funding from Sport England and distribute to both Arundel Lido and Freedom Leisure and enter into the necessary contracts as required under the Council's constitution.

1. PURPOSE OF REPORT

- 1.1 To inform members of the Policy and Finance committee of the successful application of grant funding from the Swimming Pool Support Fund Phase 2 (improving energy efficiency in swimming pools).
- 1.2 To seek approval (as a forwarding recommendation to full council) to include the Sport England capital grant funding of £135,470 to the Council's capital programme in fy24-25.

2. RECOMMENDATIONS

That the Policy and Finance Committee:

- 2.1 **Recommend to Full Council** that the amount of £135,470 from the Swimming Pool Support Fund is added to the Council's capital programme for 2024/25.
- 2.2 Note the contents of the report and process of achieving grant funding.

3. EXECUTIVE SUMMARY

- 3.1 This report will provide members of the Policy and Finance Committee an overview of the Swimming Pool Support Fund process and application work by officers, and representatives from Freedom Leisure and Arundel Lido to achieve the funding.

4. DETAIL

- 4.1 In the 2023 Spring Budget, the chancellor announced the Swimming Pool Support Fund (SPSF), making available £60 million support for swimming pool providers. All funding requests were coordinated by local Council officers.
- 4.2 The funding was distributed into two phases: Phase 1, offering £20 million to alleviate immediate cost pressures (due to well documented energy price increases) by providing revenue support. Phase 2 allocated £40 million to capital investment to enhance the energy efficiency of facilities and help secure their financial stability for the future. This capital investment is accompanied by an additional £20 million made available from National Lottery funding to complement the £40 million which increased the number of facilities being successful with their funding applications.

- 4.3 Arun District Council were required to lead the application process for their own assets and voluntary sector applications. The Council On the behalf of Arundel Lido, the Council applied for Phase 1 of the fund with a bid of £26,300 being submitted on 11 August 2023. Unfortunately, this bid was unsuccessful with Sport England stating that the applications were nearly four times the value of the awards and they were forced to make difficult decisions. On this occasion there were stronger applications that more closely aligned to the fund's objectives and priorities. Freedom Leisure were unable to apply for phase 1 due to the financial support the Council has provided over the past 18-months.
- 4.4 Phase 2 funding launched on 14 August 2023 with an application deadline of Tuesday 17 October 2023. Sport England received 726 applications for this fund alone.
- 4.5 Arun District Council lead on the application for phase 2 which included bids for Littlehampton Wave of £63,944, split £45,070 for Photovoltaic panels (PV) (successful) and £18,924 for swimming pool hall destratification fans (unsuccessful).
- 4.6 Arundel Lido applied for £231,700 with an additional £150,000 being committed from separate partnership funding. The phase 2 bid was split £77,000 for PV, and £13,400 for a main pool cover (both successful) with the remaining funding for plant room insulation and a combined heating and power (CHP) unit which were both unsuccessful.
- 4.7 A bid was also submitted for Arun Leisure Centre which was unsuccessful for £85,497, split £62,838 for triple glazed windows and £22,659 for destratification fans within the pool hall. We understand this was due to heavy weighting and focus on PV installations as part of the application decision making.
- 4.8 Arundel Lido, operated by Arundel and Downlands Leisure Trust is a unique community asset, located in the heart of the South Downs. The facility includes a heated 25 metre fully accessible main pool and a heated children's pool. In the late 1990's the facility was closed due to funding cutbacks. However, a dedicated group of volunteers raised the required funds to reopen the facility as a standalone charity in 2003. Their ambition is to build a gym and multipurpose hall to help with the facility being open all year round. With being in the heart of the South Downs, anything they can do to reduce their carbon fuels and switch to renewable energy will make a real impact on the wildlife and surroundings.
- 4.9 Littlehampton Wave, operated by Wealden Leisure Ltd, trading as Freedom Leisure opened in 2019 and hosts an eight-lane swimming pool with a separate multi use pool with variable depths. It also has a large gym, a four-court sports hall, three studios with one being dedicated to indoor cycling and a meeting room space. The impact of PV's being installed on the swimming pool roof will not only reduce carbon emissions but produce an expected saving to the leisure operator of a little over one thousand pounds per month based on current electricity costs. This saving will be discussed with Freedom Leisure at monthly partnership meetings on how they use the money saved to improve the facilities.
- 4.10 The risk to the council financially is low due to the grant adherence agreement having "grant security". This allows the Councils' legal team to apply for a legal charge notice registered against Freedom Leisure and Arundel Lido to complete the works prior to retrospective payments from Sport England are received.

5. CONSULTATION

5.1 Council officers consulted with representatives of Freedom Leisure and Arundel Lido throughout the process. The consultations included providing:

- Administrative information
- Details of the facility
- Details of energy saving capital interventions which have already been implemented.
- Details of the energy saving capital interventions being applied for
- Operational data including participation and energy usage over the past three years.
- A narrative of why the funding was requested, how the interventions will reduce energy consumption and in turn deliver reductions in carbon emissions, why the proposed interventions wouldn't happen without the funding, and how the interventions will be delivered within the timescales of the fund.

5.2 Members of the Housing and Wellbeing Committee were made aware of the grant funding bid within the Freedom Leisure 18-month report brought to committee on 25 January 2024.

6. OPTIONS / ALTERNATIVES CONSIDERED

6.1 Other funding streams have been considered, though swimming pool specific funding is rare. Officers have been successful in applying to the fourth wave of the low carbon skills fund (LCSF) in 2023, which has helped provide financial support in developing a heat decarbonisation plan for Arun Leisure Centre. If/when additional funding is made available further applications will be made for Council owned buildings, which potentially would include taking the heat decarbonisation plan for Arun Leisure Centre to detailed design.

7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

7.1 There are no additional financial implications to the Council arising from the recommendations in this report.

8. RISK ASSESSMENT CONSIDERATIONS

8.1 Without continued good relations and continued investment with our leisure facilities within the district there would be a greater risk of contract failure in Freedom Leisure's case and permanent closure for Arundel Lido. The grant agreement contains a sliding scale based on the amount achieved for the facility owner to commit to keep the facility open for. There is a commitment of three years based on the amounts awarded for both Arundel Lido and Littlehampton Wave.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

9.1 In accordance with the Financial Procedure Rules, specific approval is required by Full Council for the planned programme of capital expenditure.

9.2 The Monitoring Officer is satisfied that that reasons provided for the urgency of this report satisfy the requirements of the Council's Access to Information Rules and the Local Government Act 1972.

10. HUMAN RESOURCES IMPACT

10.1 None

11. HEALTH & SAFETY IMPACT

11.1 The management of Health Safety is in accordance with the facilities procedures. All contractors' documents will be checked by the facility operator pre working taking place. These will include (RAMS) Risk Assessments and Method Statements. Council officers will work closely with the operators to ensure completion of the works.

12. PROPERTY & ESTATES IMPACT

12.1 None

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1 The Council seeks to provide a range of opportunities for residents to participate in sport and community activities across the district. Sports facilities are fundamental to that provision. Freedom Leisure and Arundel Lido are inclusive to all residents with a focus on sport, women & girls, low socio economic, older adults, special educational needs and disability, young people and ethnically diverse.

13.2 This report and its recommendations does not impact on those with identified protected characteristics under the Equalities Act

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1 This funding will support the Council in reaching its 2030 carbon neutral target and reduce the emissions generated from running the two facilities who were successful with their applications.

14.2 Littlehampton Wave award for the installation onto the swimming pool roof, consists of 97 panels which will have a capacity of 40.26 kWp, allowing for an output of 38,811 kWh pa. This will save an estimated 8.24 tonnes of CO₂. Leisure Centres are the Council's second largest emitter, sitting at 6% (or 1,0009 Tco_{2e}), therefore it is essential for the Council to support our leisure provider in reducing their emissions to ensure we can reach our 2030 target.

Arundel Lido award includes the installation of PV onto the roof of the facility and the installation of a main pool cover. Current predictions indicate that this will allow for 151 panels to be installed, with a capacity of 65.69 kWp, allowing for an annual output of 69.03 MWh. This will save an estimated 13.35 TCo2e. Though this will not directly support the Council's journey to 2030, it will support this local charity who manage the facility.

Outside of emission savings there will also be co-benefits of this work, including helping reduce grid dependency, supporting the generation of local renewable electricity and protecting these providers from surging electricity prices.

15. CRIME AND DISORDER REDUCTION IMPACT

15.1 None

16. HUMAN RIGHTS IMPACT

16.1 None

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1 None

CONTACT OFFICER:

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BACKGROUND DOCUMENTS:

None

Policy and Finance Committee – 7 March 2024

Littlehampton Seafront Project – Capital budget update

This appendix provides an addendum to the main committee report. Additional funding has been made available since the project budget was approved in December 2021, therefore the report seeks approval to include this funding within the total budget allocation. This is not a request for further funding but to approve the inclusion of additional funding within the project budget.

Background

A budget of £7,234,201 (as part of the full £19,424,597 Levelling Up Fund grant) was approved by Policy and Finance Committee on 9 December 2021. Full Council approved acceptance of the grant on 26 January 2022.

ADC funding of £31,300 towards a Changing Places toilet at Littlehampton seafront was approved by the Economy Committee on 26 July 2022.

Capital budget update

A report to Policy and Finance on 6 December 2023 identified that a grant of £25k from the Council's Climate Change budget had been allocated for the inclusion of PV panels within the Littlehampton seafront project. In order for this sum to be included as part of the project expenditure, approval is needed to increase the total budget figure.

It was also noted within the report that the grant needed to be spent during 2023/24. Changes to the project programme mean that it is not possible to spend the funding within this timeframe.

In addition, the Council has received a sum of £60k from the Levelling Up Fund in 2023/24 as capability and capability grant. The Littlehampton seafront project was allocated £56k for design guardian fees as noted in the Financial Summary of the main report. This sum also needs to be formally included within the full budget allocation.

The following table summarises the total project funding. It is proposed to increase the total budget figure to £7,346,501 to formally account for additional funding made available for the project.

Professional fees (LUF grant):	549,357
Capacity and capability grant for design guardians (LUF grant)	56,000
Public realm capital works, including contingencies (LUF grant):	6,684,844
Changing Places Toilet (ADC contribution):	31,300
PV panels funding (ADC contribution)	<u>25,000</u>
	7,346,501

Recommendations

To approve the total capital project budget be increased by £81k to £7,346,501 made up of:

- a) £25k for PV panels from the Council's Climate Change budget, funded from revenue reserves offset by a corresponding underspend against the aforementioned budget; and
- b) £56k for Design Guardians, funded from the LUF Capacity & Capability grant.

Policy and Finance Committee – 7 March 2024

Alexandra Theatre Project – Capital budget update

Purpose / Executive Summary

This appendix provides an addendum to the main committee report and seeks approval to include additional funding within the total project budget.

This is not a request for further funding but to approve the inclusion of additional funding within the project budget.

Background

A budget of £12,190,396 (as part of the full £19,424,597 Levelling Up Fund grant) was approved by Policy and Finance Committee on 9 December 2021. Full Council approved acceptance of the grant on 26 January 2022.

A further £3,750,000 was approved by full council on 9 March 2023, which included provision to regain the leasehold from the previous occupier.

ADC funding of £82,000 towards a Changing Places toilet at Alexandra Theatre was approved by full council on 21 February 2024.

Capital budget update

A verbal report to Policy and Finance on 6 December 2023 identified that a grant of £45k from the Council's Climate Change budget had been allocated for the inclusion of solar PV panels within the Alexandra Theatre project. In order for this sum to be included as part of the project expenditure, approval is needed to increase the total budget figure.

It was also noted that the grant needed to be spent during 2023/24. Changes to the project programme mean that it is not possible to spend the funding within this timeframe.

In addition, the councils UKSPF partnership allocated £94k from the total UK Shared Prosperity Fund award, to be spent on kitchen and studio enhancements by March 2025. This sum also needs to be formally included within the full budget allocation.

The following table summarises the total project funding. It is proposed to increase the total budget figure to £16,161,686 to formally account for additional funding made available for the project.

Levelling Up Grant	12,190,396
UK Shared Prosperity Fund – kitchen and studios	94,290
Arun District Council – contribution towards project	3,750,000
Changing Places Toilet (ADC contribution):	82,000
PV panels funding (ADC contribution)	<u>45,000</u>
	16,161,686

Recommendations

To approve the total capital project budget be increased by £139k to £16,161,686 made up of:

- a) £45k for Solar PV panels from the Council's Climate Change budget, funded from revenue reserves offset by a corresponding underspend against the aforementioned budget; and
- b) £94k for kitchen and studio enhancements from the Council's UK Shared Prosperity Fund allocation – which has been approved by Arun UKSPF partnership group.