

Bolsover District Council

Executive

15th January 2018

Creswell Leisure Centre Future Options

Report of the Portfolio Holder – Leisure and Social Enterprise

This report is public

Purpose of the Report

- To consider the future options for Creswell Leisure Centre following the cessation of the site as a swimming facility.

1 Report Details

1.1 At the meeting of Executive held on 1st February 2016, it was resolved that;

(1) Formation of a steering group and the proposed membership to explore the future options for Creswell Leisure Centre be approved.

(2) The steering group develop an appropriate business case for future usage of Creswell Leisure Centre for Executive to consider by October 2016.

1.2 A steering group was subsequently formed made up of BDC officers and elected members, Elmtown with Creswell and Hodthorpe 'Big Local' (ECHBL) group, Elmtown with Creswell Parish Council and Creswell History Group. The group developed a proposal and 5 year indicative business plan for what would become the 'Creswell Heritage and Wellbeing Centre'.

1.3 The 5 year detailed business plan included a 'fit out' and 'alterations' budget of £0.51m made up of the following;

- £0.35m - Elmtown with Creswell and Hodthorpe 'Big Local' group
- £0.1m - BDC from existing budgets
- £0.05m – DCC Community Priorities Grant
- £0.01m – Public Health partners

1.4 At the meeting of Executive held on 3rd October 2016, it was resolved that;

(1) Executive supports the new facility redesign proposal and whilst remaining trustees make an application to the Charities Commission to amend the existing scheme to include new trustees from the local

community, including the wider community, volunteers and organisations more local to the facility lead by the Elmtton with Creswell 'Big Local' group and including; Elmtton with Creswell Parish Council, Creswell History Group with the potential for others,

(2) subject to all other partner funding being confirmed, £0.1m be allocated to the project as the Council's contribution; this to be met from existing capital and revenue budgets for Creswell Leisure Centre for 2016/17,

(3) the ceasing of current operations at Creswell Leisure Centre on 2nd December 2016 be approved.

- 1.5 £0.16m of the projected budget was secured. Although the Elmtton, Creswell and Hodthorpe Big Local (ECHBL) group were also in agreement and supportive of the scheme 'in principle', they would be unable to confirm the £0.35m funding until they could reassure themselves that their investment would be secure with regard to the business case proposal and that the building was in a condition that would not compromise the business case.
- 1.6 As a result, ECHBL commissioned *Sherwood Surveyors and Property Consultants* to conduct an asset condition survey. Following the production of this, BDC Property and Estates Team provided some cost estimates to carrying out those items of work identified to be most urgent and more fundamental, with a view to addressing others in line with a planned asset management approach which might span the next few years.
- 1.7 The exercise revealed that the cost of repairs categorised as 'extreme risk' or 'high risk' which required remediation either 'immediately' or 'within one year' totalled approximately **£0.265m**.
- 1.8 Also of note, both the survey authors and the Property and Estates Team highlighted the recommendation to ECHBL that further investigations are undertaken into 26 areas of the building prior to taking on the property. Such investigations have the potential to increase the 'extreme risk' or 'high risk' items and the above imminent remediation costs considerably.
- 1.9 In parallel to this survey work, a 'Community Benefit' organisation was established in Creswell made up of members of ECHBL and local individuals. The governance structure of which will allow the organisation to apply for grant funding towards the '*Creswell Heritage and Wellbeing Centre*' project, amongst other things. Although a number of possible funding sources have been identified and the group are planning to make applications imminently, there has been no further funding secured to date.
- 1.10 At a recent meeting of the 'Future of Creswell Steering Group', the consensus was that the scheme is no longer viable due to the considerable remediation costs which when added to the refurbishment sum is likely to be in the region of £0.76m-£1m.

- 1.11 The Steering Group determined that although the '*Creswell Heritage and Wellbeing Centre*' proposal at the former Creswell Leisure Centre was no longer thought to be viable, they did wish to pursue the possibility of a 'new build' proposal for the scheme elsewhere in the village.
- 1.12 The Council currently hold the Creswell Leisure Centre as trustees pursuant to a charitable scheme dated 23rd July 1954. The scheme requires the Council to "hold the said property upon trust for use as public swimming baths for the benefit of the inhabitants of the Rural District Council of Clowne and the neighbourhood".
- 1.13 In order to use the property for another purpose the Council would need to apply to the Charity Commission and the Coalfield Social Welfare Organisation (CISWO) to amend the scheme. In doing so the Council would need to identify a suitable alternative charitable purpose for the building.
- 1.14 Dialogue with the Charities Commission and Coalfield Social Welfare Organisation has been ongoing since the original idea was formed. Recent discussions have highlighted the findings detailed previously with a view to ascertaining the Council's position should an alternative purpose fail to be identified.
- 1.15 Although not tested at this stage, it appears unlikely that the existing facility would be an attractive proposition on the open market 'as is' due to both the unique nature of the building and the costs of remediation and refurbishment highlighted previously. Therefore demolition of the building and a 'clear site' for development may become an option.
- 1.16 Giving a market valuation of the building itself is very difficult as this type of building very rarely comes to the market and when they do it is usually as a going concern as an investment. However, a valuation of £0.100m has been established for the site as a cleared site for residential development.
- 1.17 Officers have obtained one quote, albeit not under a competitive tender process, for the possible demolition works of the building which is circa £0.110m.

2 Conclusions and Reasons for Recommendation

- 2.1. At present the facility presents a liability for the council as it stands empty at the risk of falling deeper into disrepair, its vulnerability to vandalism and ongoing building costs including but not limited to; background heating, security and responsive repairs.
- 2.2 The source of funding of the approximated remediation costs of £0.265m is not identified at present. ECHBL have confirmed that they will not fund these works. Without the remediation works, the project will not proceed.
- 2.3 The creation of the Community Benefit Organisation may be successful in due course with external funding applications for this purpose, however there is no level of certainty with regard to this.
- 2.4 The identified 'fit out' and 'alterations' budget (secured and unsecured) amounts to £0.51m, combined with the remediation estimate for urgent repairs takes this figure

to approximately £0.76m with a potential to rise much higher given the further investigations required and further works these will potentially identify.

- 2.5 With a potential budget climbing towards £1m, a balanced view of the heritage value of the building and its age of 90+ years has to be taken.
- 2.6 Rather than using the building for alternative purposes the Council could look at ending the charitable scheme and selling the premises. This would require the consent of the Charity Commission and the Coal Industry Social Welfare Organisation (CISWO). If the property was sold then the proceeds must be held on trust and used “in connection with the social wellbeing, recreation and condition of living workers in and about coal mines as the Charity Commission may approve”.
- 2.7 BDC officers are in dialogue with the CEO and officers of CISWO along with the Charities Commission with regard to both the proposal for re-use and the possible eventuality that the facility remains surplus to requirements. With regard to the latter BDC officers aim to establish the liability upon the council at present and the process which may have to be followed with regard to the existing charitable scheme and a potential ‘no longer viable’ facility/asset.

3 Consultation and Equality Impact

- 3.1 A District wide consultation upon the decision to cease the current operation at the Creswell facility was undertaken previously. In addition, a community consultation event was held on 7th April 2016 to discuss the proposals for the ‘Creswell Heritage and Wellbeing Centre. 73% of those who completed a feedback form said they approved the proposals.
- 3.2 An EIA has been previously completed for the Clowne enhanced facilities proposal which included ceasing the previous operation of Creswell Leisure Centre.
- 3.3 A communication plan will be developed in response to the resolution of Executive.

4 Alternative Options and Reasons for Rejection

- 4.1 BDC to continue to pursue with the ‘Future of Creswell Steering Group’, the proposal to refurbish the former swimming pool facility into the ‘Creswell Heritage and Wellbeing Centre’ – **rejected at this stage** due to the cost to remediate and the impact of this in conjunction with the refurbishment costs upon the business case.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 As detailed within the report.

5.2 Legal Implications including Data Protection

- 5.2.1 As detailed within the report.

5.3 Human Resources Implications

5.3.1 None.

6 Recommendations

That Executive approve;

- 6.1 Officers to pursue with CISWO and Charities Commission termination of the existing charitable scheme on the basis of a 'no longer viable' facility/asset.
- 6.2 A further report to Executive following the above activity, detailing the options available to the Council.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Lee Hickin – Strategic Director	7218