

EDUCATION, YOUTH AND CULTURE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday 18 March 2021
Report Subject	Community Asset Transfer Update
Cabinet Member	Leader of the Council and Cabinet Member for Education
Report Author	Chief Officer (Housing and Assets)
Type of Report	Operational

EXECUTIVE SUMMARY

This report provides an update on the progress of Cambrian Aquatics and Holywell Leisure Centre over 2020/21 and how the impact of COVID-19 has been managed for both Community Asset Transfers.

RECOMMENDATIONS

1	To review and consider the progress of the CAT's during the pandemic
2	To consider the continued grant support for both Cambrian Aquatics and Holywell Leisure Centre into 2021/22.

REPORT DETAILS

1.00	UPDATING ON THE COMMUNITY ASSET TRANSFER OF CONNAHS QUAY SWIMMING POOL AND HOLYWELL LEISURE CENTRE 2020/21
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1.01	<p>Background</p> <p>Cambrian Aquatics Connah's Quay Swimming Pool was transferred to Cambrian Aquatics in May 2016 as part of the Community Asset Transfer (CAT) scheme under the terms outlined in the 15th December 2015 Cabinet Report and related subsequent delegated approvals.</p> <p>The benefits for Flintshire County Council of this CAT were:</p> <ul style="list-style-type: none"> • The sustained operation of a swimming pool that was at risk of closure; • An annual revenue saving of approximately £0.260m that has supported overall budget reductions in leisure and libraries; • A long term saving on capital refurbishment costs. <p>Cambrian Aquatics have been operating successfully since 2016.</p> <p>Holywell Leisure Centre Holywell Leisure Centre was one of the largest and complex Community Asset Transfers undertaken under the CAT programme. It started trading on the 1st April 2017 and is managed by nine voluntary Trustees and a small management team.</p> <p>The Leisure Centre has both a wet and dry side sports facility (indoor sports and swimming pool) a small café and a Library, it also hosts the town's library and manages the sporting facilities at the High School, Ysgol Treffynnon.</p> <p>The main aim of the organisation is to maintain and extend Leisure and Sporting facilities for the local Holywell community and surrounding villages.</p> <p>The benefits for Flintshire County Council of this CAT were:</p> <ul style="list-style-type: none"> • The sustained operation of a leisure centre that was at risk of closure; • An annual revenue saving of approximately £0.340m that has supported overall budget reductions in leisure and libraries; • A long term saving on capital refurbishment costs. <p>Holywell Leisure centre has been operating successfully as a Trust since 2017.</p>
1.02	<p>COVID-19</p> <p>The pandemic has impacted the leisure industry particularly hard with extended periods of closure during the majority of 2020 and into 2021 together with a slow return of the customer base on reopening during the lifting of various lockdown restrictions.</p>

During the first lockdown both CAT's have worked hard to minimise the impact of COVID-19 and maintain operations when government restrictions have allowed. Some of these changes are included below.

Cambrian Aquatics

- Converted the Café area into a beach change facility
- Introduced a one way system around the building
- Improved the flooring in the Café to manage footfall more safely and assist cleaning the facility.
- Introduction of measures to ensure a safe return to swimming lessons when permitted by the regulations

Holywell Leisure Centre

- Undertook capital investment work to the plant room during closure
- Introduced a one way system around the building
- Put measures in place to ensure a safe return for customers
- Holywell maternity clinic was temporarily relocated to the leisure centre in partnership with BCUHB and space was converted to provide three consulting rooms
- Development of a new website
- Introduction of a new remote booking service
- Creation of new Marketing and Communications post
- Recruited additional Trustees to cover identified skill gaps and further support the business

1.03

Financial Support

The main financial risk to both CAT's during the pandemic is that neither CAT had high levels of reserves to protect and support any cash flow issues as a result of lockdown and the impacting income loss.

It was imperative to access available grant support as soon as possible to ensure cash flow was sufficient to cover costs such as salaries as they became due.

Both CAT's have been successful in accessing external funding support through a number of routes:

- Economic Resilience Fund
- Furlough scheme
- NNDR relief
- 'Bounce Back' loans
- Welsh Government 'income loss' grant

The Council have also worked in partnership with both CAT's over the past year by providing temporary cash flow support where required and accessing Welsh Government Covid-19 relief grant on behalf of both companies to support income lost during lockdown.

	The extension of the furlough scheme until the end of April and access to support through the Welsh Government income loss scheme should provide continued financial support to both CATs for this financial year.
1.04	<p>Looking forward into 2021</p> <p>Recovery of customer numbers and activities previously offered by clubs to the community is the focus for both CAT's following this second lockdown, recovery will need to run ahead of the potential diminishing Covid-19 financial support offered by the National Government.</p> <p>There will be a drive to focus on marketing to bring back existing and new customers, to retain their experienced staff base and to ensure a safe return for customers. With careful planning and targeted spend both CAT's hope to emerge from the pandemic with the continued help and support of the community and funding providers.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Revenue: The Council provide an annual subsidy and it is proposed to continue with this grant support at current levels into 2021/22.</p> <ul style="list-style-type: none"> • £67,535 p.a for Cambrian Aquatics • £90,537 p.a for Holywell Leisure Centre <p>Capital: There are no implications for the approved capital programme for either the current financial year or for future financial years</p> <p>Human Resources: There are no implications for any change to current workforce structures or roles.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	<p>Key Risks and Mitigation</p> <p>The cash flow position for both CAT's deteriorates if reduced customer numbers become evident after reopening and national COVID-19 financial support ends – The Council will work to resolve issues as they arise. In the worst case the CAT's will transfer back to the Council and a range of options from closure to another community asset transfer to an alternative operation would be considered.</p>

4.00	CONSULTATIONS REQUIRED/ / CARRIED OUT
4.01	Regular partnership review meetings are held with Cambrian Aquatics and Holywell Leisure Centre.

5.00	APPENDICES
5.01	None

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Neal Cockerton, Chief Officer (Housing & Assets) Telephone: 01352 702500 E-mail: neal.cockerton@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Community Asset Transfer – The transfer of a building to a community organisation with a 27 year lease and peppercorn rent.</p> <p>Reserves – Funding set aside in an organisations accounts to deal with unforeseen operational issues or specific issues in the future.</p>