

Cheltenham Borough Council

Cabinet – 11 June 2024

Swimming Pool Support Fund – Grant to Sandford Parks Lido

Accountable member:

Cllr Alisha Lewis, Cabinet Member for Finance and Assets

Accountable officer:

Richard Gibson, Head of Communities, Wellbeing & Partnerships

Ward(s) affected:

n/a

Key Decision: No

Executive summary:

In 2023, the Government announced the Swimming Pool Support Fund (SPSF), making available £80 million support for public swimming pool providers. The funding was distributed in two phases with the second phase allocating £60 million to improve the energy efficiency of public facilities with pools to help alleviate costs pressures and mitigate the risk of closures of public sector swimming pools.

A phase II application was made in October 2023 for investment in both Leisure @ Cheltenham and Sandford Parks Lido. The council was subsequently notified that the application for the Lido element was successful with an award of £306,065.

To access the grant and to pass it onto Sandford Parks Lido, the Sports Council have asked the council to enter into two grant agreements; the over-arching capital grant agreement, between the Sports Council as funder and the Council as applicant, and a grant adherence agreement between the Sports Council as funder, the Council as applicant and Sandford Parks Lido as facility owner.

Recommendations:

In respect of an offer of £306,065 capital grant funding from the English Sports Council, it is recommended that Cabinet:

- 1. authorises the Director of Finance & Assets to agree and sign a capital grant agreement with the English Sports Council whereby a capital grant payment of £306,065 will be paid to the Council.**
- 2. authorises the Director of Finance & Assets to agree and sign a grant adherence agreement between the English Sports Council, Sandford Lido Limited (as the facility owner) and Cheltenham Borough Council (as applicant) to enable the whole capital grant to be passed to Sandford Lido Limited to enable them to install Photo Voltaic panels and Pool Covers.**
- 3. authorises the Director of Finance & Assets to agree and sign a grant agreement between Sandford Lido Limited (as the facility owner) and Cheltenham Borough Council (as applicant) in order to pass a number of Sport England obligations onto the Lido.**

1. Implications

1.1 Financial, Property and Asset implications

The grant has been awarded to the Lido by the Government but will be paid to the Council. On receipt of the money and signing of the relevant legal agreements the monies will be transferred to the Lido in line with the application.

The report notes that there are three requirements from Sport England for the Council to accept the grant funding.

- The council is not permitted to allow another entity to run the Lido for the Facility Term of 15 years. Changes to this may be agreed but Sport England's prior written consent is required.
- If the facility is to be disposed of, closed, or access limited with the Facility term (15), the council must seek Sport England's prior written approval.
- Sport England requires a legal charge to be applied to the register and a restriction is also required on the title.

Signed off by: Gemma Bell, gemma.bell@cheltenham.gov.uk

1.2 Legal implications

The Council intends to accept grant funding from the Sports Council (Sports England) on the basis that it passports the funds to Sandford Park Lido for pool covers and PV panels.

The Sports Council require that the Council enter into Capital Grant Agreement, together with a Grant Adherence Agreement. The purpose of the Capital Grant Agreement is to impose grant conditions on the Council as the applicant of the funding – an example being that the Council may not dispose of the facility for the Facility term (15 years) unless prior consent is obtained from the Sports Council.

The Grant Adherence Agreement is a tripartite agreement which seeks to impose further obligations on the Facility Owner (which in this case is Sandford Park Lido as the Leaseholder). In order to ensure that all relevant obligations are passed onto Sandford Park Lido, it is the intention to amend this Grant Adherence Agreement and enter into an additional grant agreement between the Council and Sandford Park Lido, ensuring that the Council may comply with its own obligations by further imposing the same onto Sandford Park Lido.

When considering the giving of financial assistance, the Council must ensure that it is not giving an unlawful subsidy under the Subsidy Control Act 2022 (the Act). The subsidy control regime has replaced state aid which applied before the UK's withdrawal from the EU. The Council will undertake an assessment to establish the best approach to this, given that sums are to be passported from the Sports Council, in which case the Council has no discretion as to the recipient and sum to be granted to Sandford Park Lido. It should be noted that the Act imposes numerous transparency obligations in the event that the sum is deemed a lawful subsidy.

The key risks should be noted within paragraph 6.

Signed off by: One Legal, legalservices@onelegal.org.uk

1.3 Environmental and climate change implications

The recommendations set out in this report will see a grant from Sport England passed to Sandford Parks Lido to enable them to install Photo Voltaic panels and Pool Covers as part of a wider commitment to their decarbonisation plan which, if wholly implemented, the Lido claims will reduce their carbon footprint by 91.4%.

The Lido has started to implement energy efficiency measures including making the adjustments to the pumps and motors running speed; operating on one pump for the main swimming pool during quieter periods; installed sensors for lighting; and installed solar pv on the main plant room roof.

The grant funding for the additional solar pv will help power a new CO2 heat pump which will create a hybrid heating solution for the swimming pool water, thus enabling the existing boiler to be used, but only when absolutely necessary (based on research over the last year, swimming facilities with a hybrid system haven't used

their gas boilers). The swimming pool will act as a thermal battery with the CO2 heat pump.

In terms of the climate change impact assessment, it is proposed that this is not completed as implementation of project and management of the Lido is the responsibility of Sandford Parks Lido

Signed off by: Maizy McCann, Climate Emergency Officer,

maizy.mccann@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities: *[please delete as appropriate]*

- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity

1.5 Equality, Diversity and Inclusion Implications

The Equality Impact Assessment (Screening) document has been completed and is attached as appendix 2 to this report. Whilst there are positive benefits to local residents from the recommendations set out in this report, it is recommended that a stage 2 assessment is not completed as implementation of project and management of the Lido is the responsibility of Sandford Parks Lido.

The grant agreement between the Council and the Lido will specify the need for the Lido to have in place appropriate equality and diversity policies and procedures in place.

1.6 Performance management – monitoring and review

Sandford Parks Lido will be responsible for submitting quarterly reports of financial performance and utilities usage data, plus monthly reporting of visits and participation via the Moving Communities platform

2. Background

2.1 In the 2023, the Government announced the Swimming Pool Support Fund (SPSF), making available £60 million support for public swimming pool providers.

2.2 The funding was distributed in two phases. Phase I allocated £20 million to

alleviate immediate cost pressures by providing revenue support. Phase II allocated £40 million in capital investment to improve the energy efficiency of public sector swimming pools and in doing so help alleviate costs pressures and mitigate the risk of closures of public sector swimming pools.

2.3 Specifically, the fund objectives were to:

- Reduce the energy consumption level of facilities in receipt of funding, compared to baseline, and support the leisure sector to transition to a position of environmental and financial sustainability.
- Minimise the closure of swimming pool provision, where funding has been provided to a site, to prevent gaps in public leisure provision emerging.
- Reduce the carbon output of facilities in receipt of funding, compared to baseline, in line with HMG Net Zero by 2050 objectives.
- Prioritise support in those areas of greatest socio-economic need (as evidenced by IMD level), where all other factors are equal.

2.4 A phase II application was made in October 2023 for investment in both Leisure-at Cheltenham and Sandford Parks Lido. The council was subsequently notified that the application for the Lido element was partly successful with an award of £306,065.

3. Reasons for recommendations

3.1 To access the grant and to pass it onto Sandford Parks Lido, the Sports Council have asked the council to enter into two grant agreements; the overarching capital grant agreement, between the Sports Council as funder and the Council as applicant, and a grant adherence agreement between the Sports Council as funder, the Council as applicant and Sandford Parks Lido as facility owner. Although the Council retains the freehold of the Lido, Sandford Parks Lido are classed as facility owner as they have a lease in excess of seven years.

3.2 The purpose of the Capital Grant Agreement is to impose grant conditions on the Council as the applicant of the funding – an example being that the Council may not dispose of the facility for the Facility term (15 years) unless prior consent is obtained from the Sports Council.

3.3 The Grant Adherence Agreement is a tri-party agreement which seeks to impose further obligations on the Facility Owner (which in this case is Sandford Park Lido as the Leaseholder). In order to ensure that all relevant obligations are passed onto Sandford Park Lido. It is the intention to amend this Grant Adherence Agreement or enter into an additional grant agreement between the Council and Sandford Park Lido, ensuring that the Council may comply with its own obligations by further imposing the same onto Sandford Park Lido.

4. Alternative options considered

4.1 None, to access the grant funding, the council needs to enter into the two agreements.

5. Consultation and feedback

Regular liaison has taken place with Sandford Parks Lido.

6. Key risks

The key risks for the Council lie in the grant agreement with Sports England which has a number of obligations, as follows:

- i. Sub-Contracting – CBC are not permitted to allow another entity to run the Lido (other than the Sandford Parks Lido) for the Facility Term of 15 years. Changes to this may be agreed but Sport England’s prior written consent is required.
- ii. Disposal / Closing/ Limiting Use of Facility – Sport England’s prior written approval is required if a closure or limited/ reduced access required within the Facility term (15 years). The Council is also required to maintain ownership (and not dispose of the Facility) for the same 15-year period.
- iii. Security – Sport England requires a legal charge to be applied to the register and a restriction is also required on the title. Sandford Park Lido will be required to comply with this and the Council is not expected to have a legal charge over its own title.
- iv. Metering and Monitoring – requirement to install metering and monitoring which enables the Lido to record and report details of actual energy consumption at the Facility on a quarterly basis to Sport England.
- v. Clawback – Sport England have the ability to require repayment of any sums if there is found to be a breach of the Agreement, Bribery Offence, Insolvency, incorrect use of Grant, disposal of Facility, change of ownership and misleading/ dishonesty. The Council has a self-reporting obligation with regards to this.
- vi. Indemnity – Sport England are to be indemnified (by the Council)_against any losses in connection with a third-party claim in connection with the Facility (except where resulting from Sport England negligence or breach of contract)
- vii. Reporting – the Council is required to provide quarterly reporting of financial performance and utilities usage data, plus monthly reporting of visits and participation via the Moving Communities platform.
- viii. Environmental management – attendance at an online environmental management training course and compliance with the environmental management module. There may be resource and cost implications for this training.

Risks 1-3 are to be noted and accepted by the Council. Risks 4-8 will be mitigated via a grant agreement between the Lido and the Council

Report author:

Richard Gibson, Head of Communities, Wellbeing & Partnerships

Appendices:

- i. Risk Assessment
- ii. Equality Impact Assessment – Screening

Background information:

N/A

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	Sub-Contracting – CBC are not permitted to allow another entity to run the Lido (other than the Sandford Parks Lido) for the Facility Term of 15 years. Changes to this may be agreed but Sport England’s prior written consent is required	Gemma Bell	3	1	3	Accept	None	Gemma Bell	
	Disposal / Closing/ Limiting Use of Facility - Sport England’s prior written approval is required if a closure or limited/ reduced access required within the Facility term (15 years). The Council is also required to maintain ownership (and not dispose of the Facility) for the same 15-year period	Gemma Bell	3	1	3	Accept	None	Gemma Bell	
	Security – Sport England requires a legal charge to be applied to the register and a restriction is also required on the title. Sandford Park Lido will be required to comply with this and the Council is not expected to have a legal	Gemma Bell	3	1	3	Accept	None	Gemma Bell	

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	charge over its own title								
	Metering and Monitoring – requirement to install metering and monitoring which enables the Lido to record and report details of actual energy consumption at the Facility on a quarterly basis to Sport England	Gemma Bell	3	2	6	Reduce	This requirement to be passed onto the Lido via a grant agreement between the Council and the Lido	Richard Gibson	30 June 2024
	Clawback – Sport England have the ability to require repayment of any sums if there is found to be a breach of the Agreement, Bribery Offence, Insolvency, incorrect use of Grant, disposal of Facility, change of ownership and misleading/ dishonesty. The Council has a self-reporting obligation with regards to this	Gemma Bell	3	3	9	Reduce	This requirement to be passed onto the Lido via a grant agreement between the Council and the Lido	Richard Gibson	30 June 2024
	Indemnity – Sport England are to be indemnified (by the Council)_against any losses in connection with a third-party claim in connection with the Facility (except where resulting from Sport England negligence or	Gemma Bell	3	3	9	Reduce	This requirement to be passed onto the Lido via a grant agreement between the Council and the Lido	Richard Gibson	30 June 2024

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	breach of contract)								
	Reporting – the Council is required to provide quarterly reporting of financial performance and utilities usage data, plus monthly reporting of visits and participation via the Moving Communities platform	Gemma Bell	3	3	9	Reduce	This requirement to be passed onto the Lido via a grant agreement between the Council and the Lido	Richard Gibson	30 June 2024
	Environmental management – attendance at an online environmental management training course and compliance with the environmental management module. There may be resource and cost implications for this training		3	2	6	Reduce	This requirement to be passed onto the Lido via a grant agreement between the Council and the Lido	Richard Gibson	30 June 2024

Appendix 2: Equality Impact Assessment

1. Identify the policy, project, function or service change

a. Person responsible for this Equality Impact Assessment

Officer responsible: Richard Gibson	Service Area: Communities, wellbeing & partnerships
Title: Head of communities, wellbeing & partnerships	Date of assessment: 20 May 2024
Signature: 	

b. Is this a policy, function, strategy, service change or project?

Project

If other, please specify:

c. Name of the policy, function, strategy, service change or project

Swimming Pool Support Fund Grant

Is this new or existing?

New or proposed

Please specify reason for change or development of policy, function, strategy, service change or project

Award of grant to Sandford Park Lido

d. What are the aims, objectives and intended outcomes and who is likely to benefit from it?

Aims: The Swimming Pool Support Fund aims to alleviate costs pressures and mitigate the risk of closures of public sector swimming pools

<p>Objectives:</p>	<p>The fund objectives are to:</p> <ul style="list-style-type: none"> • Reduce the energy consumption level of facilities in receipt of funding, compared to baseline, and support the leisure sector to transition to a position of environmental and financial sustainability. • Minimise the closure of swimming pool provision, where funding has been provided to a site, to prevent gaps in public leisure provision emerging. • Reduce the carbon output of facilities in receipt of funding, compared to baseline, in line with HMG Net Zero by 2050 objectives. • Prioritise support in those areas of greatest socio-economic need (as evidenced by IMD level), where all other factors are equal.
<p>Outcomes:</p>	<p>The outcome from the fund will be that the Lido is able to install Photo Voltaic panels and Pool Covers and in doing so will spend less on energy costs so making it more financially viable.</p>
<p>Benefits:</p>	<p>The Lido remains open to the public in the longer-term</p>

e. What are the expected impacts?

Are there any aspects, including how it is delivered or accessed, that could have an impact on the lives of people, including employees and customers.

Yes

Do you expect the impacts to be positive or negative?

Positive

Please provide an explanation for your answer:

As explained above, the grant will enable the Lido to become more financially viable.

However, I am not recommending carrying out a stage 2 assessment, as implementation of project and management of the Lido is the responsibility of Sandford Parks Lido.

The grant agreement between the Council and the Lido will specify the need for the Lido to have in place appropriate equality and diversity policies and procedures in place.

If your answer to question e identified potential positive or negative impacts, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

f. Identify next steps as appropriate	
Stage Two required	No
Owner of Stage Two assessment	
Completion date for Stage Two assessment	

Please move on to Stage 2 if required ([intranet link](#)).