

Public Question Time

Cabinet

3rd February 2021

Mr Roy Worman, Swindon resident, has asked the Cabinet Member for Commercialisation, Education and Skills along with the Cabinet Member for Highways, Maintenance, and Waste Services.

- 1) Acknowledging the emergency funding from government £16.7m linked together ref. 3.24 anticipated additional funding from Government, could the anticipated funding be broken down into figures? That would be required to balance the budget?
- 2) Spreading losses over 3 years (3.25.1) does that mean £3.7m (ref 3.26) or do you anticipate further losses?
- 3) The general grant of £5.7m (3.28.1) from government, where and when will that be used?

The Cabinet Member has responded.

Thank you for your questions.

- 1) The projection of a balanced budget is based on the following additional funding assumptions:
 - a) The support for lost income for sales, fees and charges to the end of the year – the precise figure will be dependent upon the actual losses incurred by the Council at 31/3/21 (as the government support is based on 75% of losses)
 - b) Financial support being available for the cost of any further responsibilities placed on the council in the remainder of the financial year
- 2) The government scheme for spreading losses applies to a proportion of the sums referred to in para 3.26. The figure for Swindon is estimated to be £270k.
- 3) That will be used in 2021/22 to support COVID-related pressures across all Council services (in the same manner that the £16.7m is being used in 2020/21)

Mr Daniel Adams has asked the Leader of the Council:

1. Please could the Leader of the Council confirm the status of all investigations into Leisure and Oasis in Swindon, and provide the meeting minutes where decisions have been made to proceed
2. I have seen lots of social media comments being made by Labour Councillors, but little in the way of action within the Council. Please could the Leader confirm whether any of the following questions have these been submitted to any member of Cabinet or any Overview and Scrutiny Committee for answering? If not, please could the Cabinet take the action necessary to see these questions answered.
 - What were the issues that led to the closure of the Oasis? Was Covid-19 the only reason, and why have GLL managed to reopen other sites in the town?
 - What are the risks that other sites managed by GLL in Swindon will shut down as well?
 - What are the precise terms of the deal agreed with GLL regarding handing back control of the Oasis and any other sites?
 - Did decisions made by GLL, such as the membership schemes in operation and the decision to not use cash at the Leisure Centre contribute to the closure, and did the Council have any say over these decisions?
 - With the closure of the Oasis, the borough loses a swimming pool with good access for disabled people, as it has the beach style pool entrance. Is there suitable alternative provision in the town?
 - What terms were on the payments made by the Council to GLL, how much did these payments total, and what conditions were on the payments? Did any of the payments include funds spent on the Oasis?
 - Has the Council made any other payments to other bodies in regards of the Oasis? If so to whom and what?
 - How many alterations of the agreement made with GLL have taken place?
 - In regards to allegations of asset stripping, what conversations have taken place with GLL on this subject? Has any proof been requested that items removed are owned by GLL? Is there an inventory of all equipment? What were the terms of the transfer in terms of equipment at the Oasis? Can the Council confirm that no items funded by the taxpayers of Swindon have been removed?
 - What are the terms of the agreement with Seven Capital? What obligations were put on Seven Capital in regards of the delivery of the Snowdome and the continued operation of the Oasis?
 - What break clauses are in the contract? What is the current status of the Snowdome project?
 - What is the current state of the Oasis? Is the building safe and secure? Was any damage caused when the site was entered in early January? Are the interior facilities being properly maintained to ensure that the Oasis can be reopened?
3. Will the Leader of the Council commit to answering all questions from the public on the topic of the Oasis, where it doesn't compromise confidential matters?
4. The Save our Oasis campaign is claiming that the Oasis pools have not been fully drained, and heating and ventilation is not switched on so creating future maintenance damage and mould growing. Please could the Council or GLL confirm if the Pools were all drained fully and that all proper heating and ventilation is taking place.

The Leader of the Council has responded:

Thank you for your questions. The questions are reprinted with the responses for ease of reference.

1. Please could the Leader of the Council confirm the status of all investigations into both the Leisure sector in Swindon generally and the Oasis leisure centre specifically and provide the meeting minutes where decisions have been made to proceed.

At the beginning of January, a Leader's cross Party Cabinet Member Advisory Group was established to explore how we can secure a long-term sustainable future for the Oasis. This advisory group is considering all options to reopen the Oasis and will include private and confidential financial discussions, which cannot be disclosed until a public decision is made.

The Resources Overview and Scrutiny committee, on 25th January 2021, is the only public Committee I am aware of that has had any discussion on the matter and they voted to approve an "investigation into the impact of COVID on the leisure sector", using the Oasis as a case study, on their work programme with a report due by 1st March. At the same meeting, the Committee also agreed to "Review Leisure contracts" using GLL as a case study

Within the Council constitution, the Resources O&S Committee is responsible for Leisure and I welcome their efforts. The minutes of their meetings will be published in due course.

2. Individual answers below:

- I have seen many social media comments being made by Labour Councillors, but little in the way of action within the Council. Please could the Leader confirm whether any of the following questions have these been submitted to any member of Cabinet or any Overview and Scrutiny Committee for answering? If not, please could the Cabinet take the action necessary to see these questions answered?

No questions have been asked at Cabinet on this subject. I am not aware of any questions have been asked at or submitted to any Council overview and scrutiny committee meeting.

Yes, I am more than happy to answer all of your questions.

- **What were the issues that led to the closure of the Oasis?**

GLL wrote to every Councillor on 18th November 2020 saying, "The impact of the Coronavirus pandemic, the enforced closures and our reduced operating capacity when open, led us to review the operation of the Oasis Leisure Centre with the landlord Seven Capital. This review has concluded that the continued operation of the Centre is not viable"

The Resources O&S Committee is investigating this issue in more depth and we expect to see a report on 1st March.

- **Was Covid-19 the only reason, and why have GLL managed to reopen other sites in the town?**

The Oasis is run by GLL on behalf of Seven Capital, and is nearly 50 years old and has high fixed running costs and, under the terms of their lease, they pay a rent to Seven Capital. GLL

do not pay a rent for the other six Leisure centres that GLL run on behalf of Swindon Council.

GLL were clear in their 18th November 202 announcement the reason that they need to surrender the lease of the Oasis back to Seven Capital.

- **Is the building safe and secure?**

GLL has confirmed that it carries out all the necessary security checks, and their security Team visits every day to perform a “building check”, an intruder alarm operating and CCTV is operating and a “call out” contract is still in place. This contract is the attendance of a security company to the building should the building alarm or intruder alarm be activated to investigate and secure.

- **Was any damage caused when the site was entered in early January?**

Yes, we understand doors were forced open.

- **Are the interior facilities being properly maintained to ensure that the Oasis can be reopened?**

Yes.

- **What are the risks that other sites managed by GLL in Swindon will shut down as well?**

The Council has proactive ongoing discussions with GLL about all six of the Leisure Centres that it operates on our behalf, and there is no suggestion or discussion of any closures.

The Oasis was not run by GLL on behalf of Swindon Borough Council.

- **What are the precise terms of the deal agreed with GLL regarding handing back control of the Oasis and any other sites?**

The Oasis was not run by GLL on behalf of Swindon Borough Council. There has never been any contractual relationship between Swindon Borough Council and GLL at the Oasis. The Council are not party to the deal relating to handing back control of the Oasis

. There have been no discussion between the Council and GLL relating to GLL handing back control of the 6 centres they operate on behalf of the Council

- **Did decisions made by GLL, such as the membership schemes in operation and the decision to not use cash at the Leisure Centre contribute to the closure, and did the Council have any say over these decisions?**

The Council does not have any say over the commercial arrangements of GLL, and there have never been any Council involvement or subsidy between GLL and the Oasis.

In 2011, the Oasis needed a £400,000 annual subsidy from taxpayers to operate. For the last 9 years, no subsidy has been required.

GLL made clear in their 18th November 2022 announcement that "The impact of the Coronavirus pandemic, the enforced closures and our reduced operating capacity when open, led us to review the operation of the Oasis Leisure Centre with the landlord Seven Capital. This review has concluded that the continued operation of the Centre is not viable"

- **With the closure of the Oasis, the borough loses a swimming pool with good access for disabled people, as it has the beach style pool entrance. Is there suitable alternative provision in the town?**

Yes, there are several other accessible swimming pools in Swindon. For example, the award winning Swindon Dolphins Para squad use the pool at the Dorcan Recreation Complex.

The Oasis is the only swimming pool that has a "beach style" slope to the pool entrance, and some people may prefer this access style.

Discussions are ongoing about how all Swindon Council's pools even more accessible so people of all abilities are comfortable with using them.

- **What terms were on the payments made by the Council to GLL, how much did these payments total, and what conditions were on the payments**

£2m was provided for investment in the town's leisure facilities with funding only paid on submission of evidence that the works have been completed at an appropriate cost.

£1m was used to fully fund the pension fund across both golf and leisure, for the transferring staff at the point of transfer, and any other business integration costs agreed.

Full details about the options appraisal and decision can be found on the Council website.
<http://ww5.swindon.gov.uk/ieListDocuments.aspx?CId=285&MIId=6451>

For example,

'The 2014-15 Budget already assumes a saving of £980k per annum in anticipation of the transfer of these assets and services during the 2014-15 Financial Year. When the Budget was agreed, it was set with a proposed transfer date of July 2014 in mind. The latest timetable suggests that the transfers will take place in the autumn resulting in a short-term cashflowing pressure in-year of around £250k. As part of the on-going strategy to deliver future year's Budget savings early, it is expected that this will be managed within the Council's overall cash limit from offsetting savings within other service areas.

The backlog maintenance figure quoted in the last report was closer to £6m and recent investments by the Council, most notably at the Link Centre, has reduced this figure to c£4.1m. However, the backlog maintenance figures quoted rely on the condition surveys

undertaken in 2011. Further condition surveys will be required to assess the current backlog maintenance figure, and it is anticipated that the figure of £4.1m will rise again to keep the facilities both operational and closer to the standard increasingly being sought by services users.

In the last report, Cabinet gave approval, in principle, to make available up to £3m of one-off resources to enable provision of the continued delivery of sustainable leisure provision in the Borough at a significantly reduced cost. This sum has been set aside in a Council specific reserve as part of the process to close the 2013/14 accounts.

Following the marketing exercise, it is now anticipated that £2m of this will be made available to the leisure preferred bidder for investment in the leisure facilities on a 'reverse premium' basis. The investment areas required will be agreed by the Council in advance and the funding only passed to the leisure preferred bidder upon submission of evidence that the works have been completed at an appropriate cost.

The remaining £1m will be used to fully fund the pension fund across both golf and leisure, for the transferring staff at the point of transfer, and any other business integration costs agreed during the preferred bidder(s) final negotiations that the Board Director, Resources feels necessary to allow the full release of budgeted savings

The preferred bidders have confirmed that no subsidy will be required from the Council following transfer of the facilities and that they will accept all future backlog maintenance liabilities once the £2m set out above has been exhausted. This will save the Council up to £1.2m from the leisure, golf and related direct overhead budgets in a full operational year and avoid unbudgeted additional operational cost pressures which have been incurred. These were £212k in 2013/14. In addition, there will be efficiencies as the Corporate Capital Repairs and Maintenance (R&M) budget will be available to address identified backlog maintenance issues across other areas of the Council's property portfolio that may not otherwise be possible. The current backlog, excluding schools, leisure and golf properties, is estimated at £11m.

Additional one-off funding of up to £150k will be used to cover the costs of any necessary financial, legal or technical advice required to support the conclusion of the negotiations and completion of the relevant contract documentation. Again, this sum has been earmarked within a Council specific reserve.'

- Did any of the payments include funds spent on the Oasis?

No

- Has the Council made any other payments to other bodies in regards of the Oasis? If so to whom and what?

No

- How many alterations of the agreement made with GLL have taken place?

A written answer will be provided within 10 days

- In regards to allegations of asset stripping, what conversations have taken place with GLL on this subject?

The matter has been raised with local and regional management, and the CEO of GLL. We have received multiple written confirmations that only GLL property has been moved, and GLL have publicly stated this on several occasions. No "asset stripping" has taken place.

- Has any proof been requested that items removed are owned by GLL?

Yes

- Is there an inventory of all equipment?

Yes, GLL and Seven Capital as tenant and landlord maintain their own inventories and asset registers.

- What were the terms of the transfer in terms of equipment at the Oasis?

The Council have no involvement with GLL operating the Oasis. This is between GLL and Seven Capital

- Can the Council confirm that no items funded by the taxpayers of Swindon have been removed?

Yes

- What are the terms of the agreement with Seven Capital?

Seven Capital have a 99-year lease of the Oasis from March 2012. They are fully responsible for the building including all repairs and maintenance.

- What obligations were put on Seven Capital in regards of the delivery of the Snowdome and the continued operation of the Oasis?

Seven Capital has a lease for the Oasis Leisure Centre with 91 years remaining, after taking over from Moirai in 2017. This lease is in addition to the Development Agreement (DA) that Seven Capital also took over from Moirai in 2017. The DA also has 91 years remaining subject to a provision that enables either party to terminate the agreement if agreed activity has not been completed by March 2024.

The Council has a development agreement with Seven Capital for land next to the Oasis. This agreement does not involve the Oasis.

- **What break clauses are in the contract?**

The North Star development agreement can be terminated by the Council or Seven Capital if required activity has not been undertaken by March 2024.." **The lease of the Oasis is not included in this clause and the lease continues if the development agreement is terminated.**

- **What is the current status of the Snowdome project?**

The Council is in discussion with Seven Capital on the Snowdome project. Both parties recognise the impact of the global pandemic on the economy and the leisure sector, which has been particularly damaged, and the challenge this presents for any leisure project?

- **What is the current state of the Oasis?**

GLL has announced that they intend to surrender their lease to the Oasis. When this happens, Seven Capital can appoint a new operator.

An application has been submitted to Historic England to list the Oasis, and unfortunately this will result in a delay of any plans being proposed by Seven Capital

- **Will the Leader of the Council commit to answering all questions from the public on the topic of the Oasis?**

Yes, I am more than happy to be open and transparent with the general public and there is nothing to hide over the Oasis. All of the answers given today is public information already published by the Council.

We are determined to find a long term sustainable future for a refurbished Oasis.

- The Save our Oasis campaign is claiming that the Oasis pools have not been fully drained, and heating and ventilation is not switched on so creating future maintenance damage and mould growing. Please could the Council or GLL confirm if the Pools were all drained fully and that all proper heating and ventilation is taking place

Management at GLL have confirm that the pool was drained once the decision was made to not be reopening the facility once lock down was lifted in December. This was to ensure safety of those who may seek to gain unauthorised access to the facility knowing that it was unoccupied. All relevant steps to ensure this was done safely were met and barriers were put up around the pools deep areas to ensure that any height/drops were noticeable.

The heating and ventilation in the facility is currently off, however the teams are checking for any signs of condensation etc. during their daily site visits. "

GLL have confirmed that any questions regarding the building can be sent to customerservices@gll.org