

East Herts Council Report

Executive

Date of meeting: Tuesday 9 July 2024

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Ward Freeman Community Pool Group Community Interest Organisation match funding support for Community Ownership Fund bid

Ward(s) affected: Buntingford;

Summary – The Ward Freeman Swimming Pool in Buntingford closed on 23 December 2023 for health and safety reasons. As this is a joint use pool shared with schools during the day and open to the public evenings and weekends, Hertfordshire County Council has notified us that when the Education Funding Agency pupil premiums for swimming end in August 2025, that they would wish to end the joint use agreement and close the pool as neither the County Council nor the schools would have the money available to continue the joint use agreement.

The Ward Freeman Community Pool Group Community Interest Organisation (WFCPG) has been formed and registered as a charity and intend to make a bid to the Community Ownership Fund (COF) to pay for the replacement of essential plant and refurbishment of the building to enable that group to open and operate the pool for the community. The COF has a condition that 20% of the capital funding must be matched funded and, because the application involves a publicly owned asset, certain other assurances must be provided to the Department of Levelling Up, Housing and Communities (DLUHC).

The WFCPG have requested that the council agrees to match fund, in principle, up to £200,000 and provide a letter of support to put in their

COF application. The council is also asked to include in that letter information required as the application involves a publicly owned asset. The approval of match funding, should the COF bid be successful, would be subject to a separate decision.

RECOMMENDATIONS FOR EXECUTIVE:

- a)** Agree in principle to provide match funding of up to £200,000 to support the Ward Freeman Community Pool Group CIO application to the Government's Community Ownership Fund.
- b)** Authorise the Head of Strategic Finance and Property to issue a letter of support for the Community Ownership Fund bid setting out the in-principle match funding agreement.
- c)** Authorise the Head of Strategic Finance and Property to include in the letter the additional information concerning a publicly owned asset that the application will require.

1.0 Proposal(s)

Community Ownership Fund Bid

- 1.1 The Community Ownership Fund (COF) had opened the fourth and final bidding round which was closed within days once the General Election was announced for 4 July 2024. There is a risk that a newly elected Government may not re-open bids to the fund, but this is considered low risk. In order for officers to assist the bid by issuing a letter of support and to provide additional information concerning a publicly owned asset, Executive is requested to authorise, in principle, match funding of up to £200,000 and authorise the Head of Strategic Finance and Property to issue the required letter of support to the Ward Freeman Community Pool Group CIO (WFCPG).
- 1.2 The WFCPG bid will be for up to £1,000,000 of capital funding to replace the filtration, heating and associated plant and for repairs to the pool tank. It will also cover the refurbishment of the changing areas. The bid will include up to £200,000 of

revenue funding to assist with operating the pool and opening it to the community.

- 1.3 Only the capital funding element is subject to a match funding requirement of 20%. WFCPG have requested the council to award, in principle, up to £200,000 in capital match funding to support their bid – this is the full 20% match funding requirement.
- 1.4 In addition, should the freeholder Hertfordshire County Council, transfer the building on a discounted lease of £1 per year, if demanded (previously known as a peppercorn but which is no longer a legally valid lease arrangement), then the value of the discount may count as in-kind match funding and be eligible to count towards total match funding. The discount must be professionally valued to be submitted for consideration. It is for Hertfordshire County Council to make decisions about the lease and whether they wish the discount to count towards match funding. The County Council cannot sell the freehold unless it does so for £1 as the COF does not permit its funds to be booked as a capital receipt by principal authorities.
- 1.5 The council is requested to agree to provide match funding, in principle, for the Community Ownership Fund application. The actual award of match funding and terms and conditions would be the subject of a subsequent report should the WFCPG application be successful.
- 1.6 The match funding would come from the existing management charge payment to SLM to run the pool which is still contained in the base revenue budget. The grant expenditure would be classified as the council's capital expenditure as it meets the definition for Revenue Expenditure Funded as Capital Under Statute (REFCUS). The revenue budget would be applied as Direct Revenue Financing for the capital grant as it was paid in accordance with the Capital Financing Regulations. The management charge will be removed from the base budget in subsequent years and contribute to the overall savings target identified in the Medium-Term Financial Plan(MTFP).

- 1.7 It is expected that the match funding would be drawn down at the same time as the COF payments but the council would consider limited up front funding to assist the WFCPG with costs of starting up the project.
- 1.8 Subject to the bid being successful, it is proposed that match funding administration and monitoring would be undertaken by the Community Wellbeing and Partnerships Team in Housing and Health who administer, monitor and submit statutory returns for several significant grants including the council's Community Grants programme, grants to third sector partners, including Citizens Advice and Community Alliance Broxbourne and East Herts, and various government grants for homelessness projects. In addition, the council could also consider a partnership with the WFCPG to host a Healthy Hub at Ward Freeman thus amplifying the benefits for Buntingford residents of the council's investment in the facility
- 1.9 The Executive is requested to approve, in principle, match funding of up to £200,000 and the issuing of a letter of support for the application providing the reasons the pool is at risk and confirmation that statutory service provision is not affected as leisure is a discretionary service.

Business Rates

- 1.10 The Ward Freeman Community Pool Group CIO is a registered charity and will need to apply for mandatory and discretionary charitable business rate relief using the [application forms on the website \(opens in new window\)](#) and submit it to the Shared Revenues and Benefits Shared Service if the COF application is successful and Hertfordshire County Council agree to lease the building. As a registered charity they will automatically be eligible to receive the 80% mandatory charitable relief. The council's policy on discretionary top up relief states:

"Charitable bodies can be awarded 20% discretionary relief 'top up', but only where there is significant evidence that the

charitable activities provide a significant benefit to local residents."

- 1.11 The policy also includes standing approval for the granting of the top up for:

"Leisure services – providing services at Grange Paddocks, Hartham, Fanshaw Pool, Leventhorpe and Ward Freeman Swimming Pool."

- 1.12 In 2024/25 the value of the 100% Charitable Rate Relief will be £29,484. The costs of the relief are shared through the Business Rates Retention System and are: East Herts Council £11,793.60; Hertfordshire County Council £2,948.40 and HM Government £14,742. SLM operated the Ward Freeman pool through their charitable operating company and received 100% rates relief so the granting of 100% relief is already factored into the MTFP.

2.0 Background

- 2.1 The Ward Freeman Swimming Pool in Buntingford closed on 23 December 2023 for health and safety reasons. As this is a joint use pool shared with schools during the day and open to the public evenings and weekends, Hertfordshire County Council has notified us that when the Education Funding Agency pupil premiums for swimming end in August 2025, that they would wish to end the joint use agreement and close the pool as neither the County Council nor the schools would have the money available to continue the joint use agreement. The Ward Freeman Community Pool Group CIO (WFCPG) has been formed and registered as a charity and intend to make a bid to the Community Ownership Fund (COF) to pay for the replacement of essential plant and refurbishment of the building to enable that group to open and operate the pool for the community.
- 2.2 The COF had opened the fourth and final bidding round which was closed within days once the General Election was announced for 4 July 2024. There is a risk that a newly elected

Government may not re-open bids to the fund, but this is considered low risk.

2.3 The COF terms are as follows:

2.3.1. **Eligibility:** Incorporated voluntary and community organisations, as well as parish and town councils can apply for funding.

2.3.2 **Funding Available:**

- a) Capital funding: Up to £2 million for all asset types, with most awards expected to be up to £250,000.
- b) Revenue funding: No more than £50,000 or 20% of the total capital funding applied for (whichever is smaller).

2.3.3 **Goals:**

- a) Support community groups in acquiring assets at risk of loss.
- b) Assist community-owned assets needing essential renovations for long-term sustainability.
- c) Strengthen community ownership across the UK.
- d) Enhance social infrastructure for thriving communities.

2.3.4 **The asset:**

- a) is at risk of loss without community intervention.
- b) can be run viably and sustainably in community hands for the long-term benefit of the community.
- c) if already owned, the asset requires essential renovations to be sustainable for the long-term benefit of the community.

2.3.5 **The project:**

- a) applying for up to £2 million for all asset types, but most expected awards will be for up to £250,000 of capital funding.
- b) applying for revenue funding, used to fund the initial running costs of the project, of no more than £50,000 or 20% of the total capital funding applied for, whichever is smaller.

- c) able to 'match' the capital grant from the Fund at the required match funding rate of 20%.
- d) able to show that capital grant funding and match funding will be spent within the 12 months following the date funding is offered (indicated on the offer letter).

2.3.6 The applicant:

- a) is an incorporated voluntary and community organisation or a parish or town council.
- b) is able to buy the asset freehold, or the long-term leasehold of at least 15 years with reasonable break clauses.
- c) is the same organisation that will receive the funding and run the project.

2.3.7 Publicly owned assets: Alongside the mandatory eligibility requirements that every applicant will need to fulfil, bids relating to publicly owned assets will also need to demonstrate the following additional requirements:

- a) The responsibility for delivering any statutory services is not transferred from the public authority to the community organisation.
- b) The Community Ownership Fund grant received will only be used for renovation and refurbishment costs following the transfer of an asset into community ownership; the public authority will not credit a capital receipt from Community Ownership Fund funding, except in the case of parish or town councils.
- c) Risk facing the asset - the Fund will only invest in community assets which would otherwise be lost. We will therefore need evidence from both the current public owner and applicant about the current status of the asset and why its future is at risk.

d) Impact on service provision - evidence that any statutory services currently delivered from the asset at risk will be continued by the public authority. This may be evidenced by a letter or appropriate cabinet paper from a local authority.

- 2.4 Apart from parish and town councils, local authorities are not eligible to apply to the Fund. However, the Department for Levelling Up, Housing and Communities hope that local councils across the United Kingdom will play an active role in supporting their local community groups to apply. Evidence of support from local authorities may help to support applications.
- 2.5 If their application is approved, WFCPG will receive an offer letter from DLUHC by email. They will then be contacted by one of a team of grant managers and will be invited to an Initial Project Meeting (IPM) to discuss the requirements for Community Ownership Fund grant recipients, including the securing of a legal charge and monitoring throughout and after the project spend has completed.
- 2.6 A Grant Funding Agreement (GFA) will be signed by WFCPG and by DLUHC after which point funding will be released. It will be the responsibility of WFCPG to work with DLUHC to put a legal charge against the asset.
- 2.7 Please note that this onboarding period usually takes up to 3 months from the offer letter and the WFCPG can only start to draw down their grant once it has been completed and all relevant paperwork is in place.
- 2.8 To meet audit and assurance requirements, the WFCPG must agree to provide independent assurance that the grant has been used for the delivery of project activities. This includes providing an independent certification of financial audit at any time when requested by DLUHC, as well as retaining all invoices, receipts, accounting records and correspondence documentation relating to eligible project expenditure. There will also be a requirement to provide regular updates on the success of the project itself in the longer term – usually up to seven years.

2.9 Previously successful applications to COF for swimming pools are shown in the table below:

Organisation	Title	Grant Award £
Birtley Community Aquatic Centre	Community Asset Transfer for Birtley swimming centre	£272,382.70
Waterside Community Trust	Waterside Pool Changing Room Refurbishment	£254,000
Lordsfield Swimming Club	Keep Overton Swimming	£835,400
FOWLC Community Interest Company	Wadebridge Sports and Leisure Centre	£935,000

3.0 Reason(s)

3.1 To protect social value to the community and whole system savings arising from the swimming pool. Research conducted by Swim England highlights the substantial social value and cost savings associated with a single 25-meter swimming pool:

3.1.1 Social Value:

- a) A single 25m pool can generate £7.2 million in social value for the community.
- b) This value includes benefits related to health, well-being, and community engagement.
- c) Swimming pools serve as highly valued hubs enjoyed by millions, contributing to local communities.

3.2.2 Healthcare Savings to the NHS and social care system of more than £1.2 million.

3.2 The support to WFCPG fulfils the following objectives in the council's Corporate Plan:

3.2.1 **Acting with the community:** Support voluntary sector groups to continue their work to support the whole community.

3.2.2 **Fair and inclusive:** Deliver our Thriving Together Plan to promote physical exercise, healthy lifestyles and other measures that boost community wellbeing.

4.0 Options

- 4.1 **Recommended:** Agree in principle, match funding of up to £200,000 and the issuing a letter of support for the application providing the reasons the pool is at risk and confirmation that statutory service provision is not affected as leisure is a discretionary service.
- 4.2 **Not recommended:** Do not agree in principle the match funding and letter of support. The pool would permanently close and there is likely to be negative publicity for the council. It would also appear to be contrary to the council's aspiration to support the community find ways to keep the pool open that do not impact on the council's budget, a position that has been expressed across political groups.

5.0 Risks

- 5.1 There is a risk that a new Government closes the COF to any applications and the community group are unable to proceed.
- 5.2 There is a risk that WFCPG find that the pool tank and plant repair and replacement costs have been underestimated and they have insufficient funds to undertake the works with subsequent loss of COF grant which must be spent within a year.
- 5.3 The incoming government may decide to continue funding for swimming which will improve the WFCPG business case.

6.0 Implications/Consultations

6.1

Community Safety

None arising directly from this report.

Data Protection

None arising directly from this report.

Equalities

None arising directly from this report.

Environmental Sustainability

None arising directly from this report.

Financial

Yes – financial implications are contained in the main body of the report.

Health and Safety

Yes – the pool is currently closed on the grounds of health and safety.

Human Resources

None arising directly from this report.

Human Rights

None arising directly from this report.

Legal

None arising directly from this report.

Specific Wards

Yes - Buntingford

7.0 Background papers, appendices and other relevant material

7.1

Contact Member

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