



ECONOMY REGENERATION & DEVELOPMENT COMMITTEE

Thursday, 4 March 2021

REPORT TITLE:	THE PEOPLE'S POOL
REPORT OF:	DIRECTOR OF REGENERATION & PLACE

REPORT SUMMARY

This report provides Economy, Regeneration and Development Committee with an update on a proposal brought forward by an external organisation named Our Lido Ltd (OLL), a company limited by guarantee (no shareholders), to build a lido complex on a Council site within Wirral, fully funded by external grant funding applied for by OLL.

The proposal ('The People's Pool') is to provide a hub for the community with a mixed business model to support this to include a food and drink offer, retail, spaces for community use, a proactive employment and training policy, and potentially partnerships with local independent businesses and social enterprises. The aspirations for the pool itself are that it will provide a 50 metre long pool, open all year round and will be heated using environmentally sustainable energy. The proposal has the potential to provide a range of social, economic and environmental benefits, including increased visitor footfall in New Brighton and secondary visitor spend, and will support community wealth building.

A decision has previously been taken by the Council to approve up to £80,000 grant funding to contribute towards feasibility work for the People's Pool project through the Council's Capital Budget (Council, 2 March 2020, Minute 122 refers). A decision has also previously been taken by the Leader of the Council to support the People's Pool project and to approve the investigation to identify a Council site within Wirral to potentially be transferred under the community asset transfer process or occupied in some other way to be decided at a future date (Leader Decision, 24 March 2020 refers).

Since its previous decisions, the Council has faced significant financial pressures largely connected to the impact of the Covid-19 pandemic, which has required it to review its commitments. The New Brighton Masterplan has also been commissioned to develop a long-term framework to inform future decisions in New Brighton. It is considered that this represents a material change of circumstances. This report therefore recommends that Economic, Regeneration and Development Committee agree to award £67,500 grant funding to Our Lido Ltd to support further feasibility work and that the Director of Regeneration & Place enters into a discussion with Our Lido Ltd regarding potential Council-owned sites which could be brought forward by Our Lido Ltd for the People's Pool proposal.

Our Lido Ltd proposes that the £67,500 would enable further early feasibility work to progress the project and would strengthen the case for next stage bidding to funding programmes; increasing the likelihood of the full project being delivered and providing the intended economic, social and environmental benefits.

It is envisaged that the operation of the People's Pool will support the Council's Community Wealth Building Strategy and further feasibility funding will help to inform potential options for the New Brighton Masterplan, which is due to be consulted on later in 2021.

The Wirral Plan 2025 sets out the Council's vision to secure the best possible future for our residents, defined by the community prosperity we create and supported by our excellent people and services. The proposals contained in this report directly supports the following key themes within that plan.

- Prosperous, inclusive economy where local people can get good jobs and achieve their aspirations; and
- Brighter futures for our young people and families – regardless of their background or where they live

This matter affects the New Brighton ward within the Borough

RECOMMENDATION/S

The Economy, Regeneration and Development Committee are recommended to agree:-

1. To the award of a grant of £67,500 to Our Lido Ltd from the Council's Capital Budget to support feasibility work to progress the People's Pool proposal and that delegated authority be given to the Director of Law and Governance to finalise the terms of the grant agreement.
2. That the Director of Regeneration & Place be authorised to enter into a discussion with Our Lido Ltd regarding potential Council-owned sites which could be brought forward by Our Lido Ltd for the People's Pool proposal, on the following basis:
 - i. that any site proposals for the People's Pool would be subject to future public consultation; and
 - ii. that any future decision to identify a Council-owned site for Our Lido Ltd to bring forward for development of the People's Pool would require further Member approval.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To support feasibility work for the People's Pool project to strengthen the case for next stage bidding to funding programmes and support the delivery of the project's intended economic, social and environmental benefits.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 *Do nothing* – This option would be to not award the £67,500 grant to OLL to assist in further feasibility work, however it is considered that this would undermine the ability of OLL to secure further feasibility funding and may result in the termination of the project.
- 2.2 *Provide a reduced amount of funding* – This option would be to reduce the level of grant provided to OLL below the proposed £67,500, however, it is considered that a reduced grant award would undermine the ability of OLL to develop the proposal to a sufficiently advanced position to be able to bid for further pre-development funding, which may result in the termination of the project.
- 2.3 *Provide funding on a recoverable basis* – This option would be to provide OLL with a repayable grant, however, as a Community Interest Company limited by guarantee, OLL has no other means of raising funding at this stage.
- 2.4 *Do not enter into discussions with OLL regarding potential sites* – Entering into discussions with OLL as part of the New Brighton Integrated Masterplan process would enable further feasibility testing of potential sites. There would be no obligation on the Council to identify a suitable site and any site-specific proposals would be subject to public consultation, which is intended to take place through the Masterplan process.

3.0 BACKGROUND INFORMATION

The People's Pool Proposal

- 3.1 Our Lido Ltd's vision for the People's Pool is that it will be a community resource for the people of the Liverpool City Region, which will also act as a unique visitor destination. The People's Pool will celebrate Wirral's marine setting and social heritage. It will do so through inspiring, innovative design which is driven by strong social and environmental values. The goal is to deliver a 50m, Amateur Swimming Association compliant competition size main pool, heated and open all year round. It will have a smaller, children's/teaching pool, and possibly a cold-water pool. Associated facilities such as spa and rehabilitation facilities will be explored, and it is hoped to have studio spaces for health, fitness and wellbeing sessions, and for gathering opportunities for community groups. The food and drink offer will be of high quality and accessible, and the retail offer and other elements may provide an opportunity to partner with local independent and social businesses.

3.2 The proposal will embed the principles underpinning the Community Wealth Building Strategy, maximising the opportunities it brings for local people, business and the economy.

3.3 The intended outcomes for the People's Pool proposal include the following:

Social

- Increased participation in swimming
- Contribute to reducing inequalities across a range of health, educational and economic provisions
- Improved quality of life for residents of all ages and backgrounds
- Community cohesion and reduced isolation
- Staff and volunteer wellbeing
- Education and learning opportunities (swimming; aquatic & marine environment; thought leadership; social history)

Environmental

- Recycling & waste capture in construction and operation
- Renewable energy generation (potentially contributing to local provision)
- Enhance and improve the carbon footprint of any site through development
- Influence through supply chain
- Influence on user behaviour

Economic

- Community wealth building
- Job creation
- Skills training
- Employee/volunteer/trainee progression
- Increased visitor footfall in the immediate locality
- Secondary spend in the visitor economy
- Catalyst to retail, hospitality & leisure businesses on site
- Contribution to the LCR's social business sector and visitor offer

Strategic Fit

3.4 **The Wirral Plan to 2025** sets out an ambition for the Borough which includes a prosperous and inclusive economy where local people can get good jobs and achieve their aspirations; a cleaner greener Borough that celebrates, protects and improves the environment and urgently tackles the environment emergency; and safe vibrant communities where people want to live and raise their families.

3.5 **The Wirral Community Wealth Building Strategy 2020-2025** supports the latest Wirral Plan and sets out three strategic objectives: democratic economy; generative economy; and financial resilience. The three strategic objectives will be delivered across the following five pillars of the community wealth building:

- Plural ownership – residents in Wirral have a say on the wealth generated by their communities.

- Land and assets – Council land and assets are used to build community wealth, including ways in which Council assets can be used for the benefit of the local community
 - Making financial power work for local places – wealth that exists in Wirral is harnessed to increase investment in local communities.
 - Workforce – residents of Wirral are employed in secure, well-paid jobs with progression of opportunities and good terms and conditions.
 - Procurement – procurement practices of Wirral’s anchor institutions are used to build the wealth of local communities.
- 3.6 It is considered that the People’s Pool proposal supports the objectives of the Wirral Plan to 2025 and embeds the principles of the Wirral Community Wealth Building Strategy.
- 3.7 Wirral Council has declared an environment and climate emergency and has developed the **Cool Wirral 2 Strategy** as part of the Cool Wirral Partnership. This sets Wirral on the path to achieve two main goals:
- To stay within a local emissions ‘budget’ of 7.7 million tonnes (Mt) of CO₂ between 2020-2100 and to reach ‘net zero’ pollution as early as possible before 2041
 - To ensure a climate resilient Wirral adapted to cope with existing change and further unavoidable disruption this century
- 3.8 The People’s Pool is seeking to promote new buildings designed for low energy ‘zero carbon’ use and will be exploring opportunities for renewable energy use in support of the Cool Wirral 2 Strategy.
- 3.9 The Council is also developing a **Sports and Physical Activity Strategy** which seeks to work with local residents and partners to provide accessible and affordable services that help to make physical activity a part of everyone’s everyday lives. The strategy will cover four key strategic priorities:
- Active people
 - Active partnerships
 - Active places
 - Active open spaces
- 3.10 This strategy will form the overarching document that supports the Draft Indoor and Built Facilities Strategy for Wirral (2019) and will provide residents, external funders and all other stakeholders with the confidence in the Borough’s ability to work collaboratively in a range of ways to increase physical activity. The next stage of the process will involve consultation with investors, stakeholders, community groups, sports clubs, and residents.
- 3.11 The Council will work with OLL to ensure that any proposals reflect the objectives of the Sport and Physical Activity Strategy and its supporting documents.

Feasibility Work

- 3.12 A decision has previously been taken by the Council to approve up to £80,000 grant funding to contribute towards feasibility work for the People’s Pool Project through

the Council's Capital Budget (Council, 2 March 2020, Minute 122 refers). The Leader of the Council agreed to support the People's Pool project and approve the investigation to identify a Council site within Wirral to potentially be transferred under the community asset transfer process or occupied in some other way to be decided at a future date (Leader Decision, 24 March 2020).

Stage One Report

- 3.13 £12,500 of the £80,000 grant has provided match funding for £12,500 pre-development funding secured by OLL from the Liverpool City Region Combined Authority's Strategic Investment Fund, to develop an operating business model to demonstrate that the proposal can operate self-sustainably without requiring ongoing public revenue support, incorporating a demand study ('Stage One Report').
- 3.14 OLL engaged Amion Consulting to assist with the production of the Stage One Report and used swim demand data from Swim England. Extensive research was also undertaken to gather comparator information on income and expenditure of other lidos across the UK.
- 3.15 Council officers received the Stage One Report and its supporting VAT Report in December 2020 and submitted joint feedback with officers from the Liverpool City Region Combined Authority to Our Lido Ltd to seek clarification on aspects of the Report. OLL has provided a response which addresses each point in turn. A copy of the final Stage One Report is included in Appendix 1.
- 3.16 The Stage One Report contains a number of assumptions and variables, involving a range of income streams and types of expense, reflecting the early stage of the scheme. These assumptions could naturally vary and impact on the project. At this point, officers are satisfied that the proposal has a reasonable chance of operating self-sustainably, on the basis of the assumptions contained within the report and the further points of clarification provided by OLL, however, it is considered that an up-to-date business model would need to be provided and be subject to independent verification, prior to any potential transfer arrangement being agreed. The following points should be noted:
 - Grant funding has not been secured for future pre-development stages of the People's Pool project. The project will require additional funding from other parties to bring it to a successful conclusion.
 - Initial business modelling demonstrates pre-operating and initial year losses. It is noted that any fundraising will need to cover such losses (as well as any working capital requirements) until the scheme is net cash generative.
 - The capital cost of developing the scheme has not been finalised and is dependent on the site, however it is expected to be a multi-million pound scheme. The Liverpool City Region Combined Authority has agreed in principle to provide £750,000 capital funding towards the project.
 - When depreciation and funding future renewal costs are considered, it is important to note that the operating surplus is unlikely to cover the cost of borrowing to fund the

capital. OLL's strategy is to fund the capital cost of creating this community asset solely through public investment and fundraising.

Grant Proposal

- 3.17 The objective of OLL is to provide an iconic and multi-use facility which will contribute to the wider visitor economy in Wirral. OLL propose that the £67,500 would enable key elements of capital feasibility work to proceed and would provide the crucial lever that will enable OLL to secure funding for the next stages of development and delivery. OLL are proposing that the £67,500 would be used to complete RIBA Stage 0 and commence RIBA Stage 1, including identifying spatial requirements; reviewing potential sites; developing an outline planning strategy and developing a capital funding strategy. A copy of the grant proposal is included in Appendix 2.
- 3.18 OLL has indicated that the estimated budget to undertake the further feasibility work including developing an outline business case lies between £150,000 and £200,000, with a timescale of four to six months. OLL aims to bid for funds that will underpin the project's foundations for a longer period, to allow work to proceed without having to pause as currently. OLL has confirmed that this funding would be sought from sources external to the Council.
- 3.19 A specific site to build the People's Pool has yet to be identified, however, the Council is exploring the potential for a lido to be accommodated on a Council-owned site within New Brighton through the emerging New Brighton Integrated Masterplan, which the Council has commissioned BDP, supported by AspinallVerdi and Curtins, to work with local stakeholders to produce. Once approved, the Masterplan will provide a long-term framework to inform the Local Plan and guide investment decisions. Further feasibility work carried out by OLL would help to support the development of potential options for the Masterplan, which is due to be subject to comprehensive public consultation later in 2021.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Council grant is being charged against the Capital Programme allowing the spreading of the financial cost over a number of years. If the project does not lead to an asset being created, the £67,500 and previous £12,500 could not be capitalised and would need to be charged back to revenue or covered by use of reserves.
- 4.2 If insufficient external funding is received there may be pressure on the Council to step in with additional funding for the project to achieve its final outcomes.
- 4.3 Potential negative financial impacts could fall on any nearby Council sites delivering the similar services as the proposed project, such as sports and recreation sites delivering Wirral swimming programmes, however the People's Pool intends to increase swimming participation in the Wirral and attract visitors from outside the area to complement existing provision.
- 4.4 A Community Asset Transfer may incur VAT and stamp duty land tax (SDLT) liabilities dependent upon the potential transfer arrangement. The Council will seek to remove or minimise any liabilities where it can by use of tax planning and by taking appropriate advice.

5.0 LEGAL IMPLICATIONS

- 5.1 OLL will need to enter into a formal grant agreement to ensure the delivery of the grant outcomes, to be approved by Legal Services.
- 5.2 Issues for the grant under the subsidy control regime will need to be addressed and appropriate de minimis certification obtained.
- 5.3 Issues involved in potential future land disposal under the subsidy control regime may need to be addressed at a later date.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 As this is an application for a grant to carry out a feasibility study, existing officers' time will be required to monitor progress and grant compliance.
- 6.2 Further public consultation may be required if potential site options are brought forward. If this goes beyond the scope of the New Brighton Masterplan, additional resourcing may be required in terms of officer time and consultation materials.
- 6.3 Should the feasibility work show the People's Pool project would be feasible, there may be a future request for land to be transferred under the community asset transfer process or occupied in some other way to be decided at a future date. Consideration would need to be given to any opportunity costs involved from alternative site use.

7.0 RELEVANT RISKS

Risk	Identified Mitigation Measures
Our Lido Ltd are not able to secure further pre-development funding to progress to the next stage	Although some funding has been secured in principle, Covid has added a level of uncertainty to this. OLL will need to work proactively with stakeholders and potential funders to secure the funding required. It is considered that the Council providing £67,500 grant funding for feasibility work will strengthen the case for the next stage funding bids.
Funding required for the capital development cannot be secured	The current situation regarding grant funding is in a state of flux as funding sources have been diverted towards Covid recovery. EU funding sources are also about to end and there is some uncertainty about what will replace them. The project will need a robust, flexible fundraising strategy and substantial funding resource to raise the amounts required.
That the feasibility work undertaken using the £67,500 funding would not provide	The outputs of the feasibility work will need to be closely monitored to ensure that the

Risk	Identified Mitigation Measures
sufficient information for the Council or the public to assess potential site proposals	work is sufficiently detailed to inform future decision-making.
A suitable site, in the right location, cannot be found	Identifying a potential suitable site is part of the New Brighton masterplanning process. If a suitable site cannot be found, consideration will need to be given to whether there is an alternative location elsewhere on the Wirral or in the wider LCR which meets the same criteria in terms of views, size, market access and community support. If a suitable site cannot be found, a decision will need to be taken about whether to progress with the scheme.
A site is identified in a suitable location but it is not big enough to accommodate all of the intended functions	It is possible that a site will be identified which meets some but not all of the criteria. For example, it may not be big enough to accommodate a 50m pool, all the dry facilities and services or the car park. If such a site is deemed viable on the basis of the socioeconomic benefits and other criteria, a revised financial plan will be required to assess income and costs for the revised specification
The scheme is not able to operate self-sustainably and the Council is required to provide ongoing revenue support	Would need to be satisfied before providing a site that operations were robust once a more detailed design and business model has been developed.
The facility has a negative impact on Council leisure services	There is already a national shortage of swim teachers and an alternative facility which may result in loss of staff and cancelled memberships to Council facilities. OLL would need to work with the Council's leisure service and partners to ensure that the People's Pool provided a complementary offer.

8.0 ENGAGEMENT/CONSULTATION

8.1 OLL has engaged widely with community groups to date, including Wirral Change and umbrella organisations such as Community Action Wirral and Wirral Community of Practice. As part of the early stages of the New Brighton Integrated Masterplan, the masterplan team has engaged with a number of key stakeholders on a one-to-one basis in addition to a wider public consultation exercise between 26 October and 16 November 2020 via the Council's Have Your Say webpage. Key documents were published on-line, available for download alongside an online survey, as well as a mapping tool that allowed respondents to place 'pins' and make comments on specific geographic sites.

- 8.2 Respondents were able to request paper copies of the survey, or submit additional comments via a dedicated email address, which was published on the Have Your Say site alongside the online survey. Public computers were available to book at New Brighton's Floral Pavilion, however this facility had to close part way through the consultation due to Covid-19 restrictions.
- 8.3 The consultation invited views on the key issues and opportunities for New Brighton across a number of topics including design, open spaces and transport. A total of 3,891 people visited the New Brighton Masterplan consultation page during the consultation period. Out of these 282 people either took the survey and/or used the places tool.
- 8.4 As part of the consultation, respondents were also asked three specific lido-related questions:
- The extent they agreed/disagreed with the statement "The lido is generally a good idea for the masterplan"
 - When thinking about a lido, what is most important to you?
 - What else do you think the People's Pool development could include?
- 8.5 Respondents were also asked to identify where on the map (of New Brighton) a potential scheme could be located.
- 8.6 A large proportion of respondents (90 per cent) either strongly agreed or agreed that a lido was generally a good idea for the masterplan and the two factors considered most important for respondents was to provide a facility for local people's health and wellbeing and for it to be an attraction that serves the Liverpool City Region and attracts visitors. Respondents also noted the importance of a lido to be usable all seasons and some expressed concerns regarding the potential impact on traffic. Others highlighted the importance of using sustainable energy sources in the construction and operation of the lido, and to ensure that it provided value to the local community during mid-week or off-season periods, such as in the form of a community space.
- 8.7 Although initial consultation carried out as part of the Masterplan demonstrated support, it is recognised that this represents a small sample of interested parties and any potential site options would need to be subject to a comprehensive public consultation at a future date. OLL have noted that community consultation will be extensive and a Community Steering Group will be formed to help guide the design and planning processes.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help Council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 OLL's ambition for The People's Pool is for it to be inclusive, actively working to break down social, cultural and financial barriers to bring people together. Accessibility and social inclusion are fundamental considerations for the People's

Pool and OLL are aiming to embed user needs and aspirations into its design, both for the physical facility and the operating model.

9.3 An overarching, initial Equality Impact Assessment has been produced which has identified that the project would have a positive impact on protected groups and would help to address health inequalities. A full Equality Impact Assessment would be required at a later date once the proposal has been developed further and if a potential site has been identified. This would need to be supported by a Health Impact Assessment, to assess the potential health effects of the proposal on the population, particularly vulnerable or disadvantaged groups, and a full assessment of how the project could address health inequalities and improve health outcomes.

9.4 The Equality Impact Assessment can be viewed at <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Where possible the People’s Pool will invest in environmentally friendly solutions and design, including potential for the facility to be heated using environmentally sustainable energy and to support active travel, in line with the Cool 2 Climate Change Strategy for Wirral.

10.2 Measures would need to be taken through the design and planning process to identify any potential impacts on factors including transport, flood risk, biodiversity and coastal change; with appropriate mitigation measures identified.

10.3 As a result of the initiatives outlined above, it is considered that the content and recommendations contained in this report are likely to have no overall impact on emissions of Greenhouse Gases and, where possible, the proposal could reduce emissions of greenhouse gases. A full assessment of environmental impact, including statutory assessments relating to flood risk and biodiversity, would be required as the scheme progresses.

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APPENDICES

Appendix 1: People’s Pool Operating Business Model ‘Stage One Report’ (Exempt)
Appendix 2: Grant Proposal (Exempt)

BACKGROUND PAPERS

New Brighton Masterplan Consultation Report (December 2020)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
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Cabinet – People’s Pool (taken as a decision by the Leader of the Council using delegated powers due to the COVID-19 pandemic)	24 March 2020
Council – Council Budget	2 March 2020, Minute 122