

Scrutiny Committee

Minutes of meeting held in Court Room - Town Hall, Eastbourne on 9 December 2024 at 6.00 pm.

Present:

Councillor Kshama Shore (Chair).

Councillors Alan Shuttleworth (Deputy-Chair), Kathy Ballard, Ali Dehdashty, Nigel Goodyear, Amanda Morris, Hugh Parker and David Small.

Officers in attendance:

Philip Brown (Property Lawyer), Homira Javadi (Director of Finance and Performance (Section 151 Officer)), Nick Peeters (Committee Officer), Jack Brownell (Tourism Manager), Becky Cooke (Director of Tourism, Culture and Organisational Development), Ian Fitzpatrick (Deputy Chief Executive and Director of Regeneration and Planning), Jo Harper (Head of Business Planning and Performance), Linda Farley (Assistant Director, Customer Service and Delivery), Steven Houchin (Deputy Chief Finance Officer) and Lynn Ingram (Interim Head of Financial Planning)

Also in attendance: Councillor Bannister and Councillor Smart.

33 Minutes of the meeting held on 16 September 2024

Resolved that the minutes of the meeting held on 16 September 2024 were submitted and approved and signed as a correct record by the Chair.

34 Apologies for absence / declaration of substitute members

Apologies were received from Councillor Lamb. Councillor Small was appointed as a Member of the Committee under delegated powers, for this meeting only.

35 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct

There were none.

36 Questions by members of the public

There were none.

37 Urgent items of business

There were none.

38 Right to address the meeting/order of business

Requests to address the Committee on item 8 - Request from Full Council to consider the Cabinet decisions for the Sovereign Leisure Centre, were received from Mr Ian Phelps, Mr Hugh Graham, Mr Robert Robinson and Jan Bruce.

A request to address the Committee was also received from Councillor Smart.

39 Request from Full Council to consider the Cabinet decisions for the Sovereign Leisure Centre - to follow

Ian Fitzpatrick, Deputy Chief Executive, and Homira Javadi, Chief Finance gave a presentation which detailed the Council's financial position, its statutory duties, including a requirement to set a balanced budget and the expenditure restrictions that would be imposed should it be necessary for a section 114 notice to be issued. It was further explained that, although £3 million of savings had been identified, £2.7 million of additional savings were required and the Council's focus was on achieving the savings through discretionary services.

The presentation also outlined the history of the Sovereign Centre's external management and the Council's levels of financial support for the Centre since its return to management by the Council following the Pandemic, during which time the centre had been forced to close. The net cost of the Centre to the Council to the end of 2024/2025 was explained as well as a capital requirement for the site of £3 million over the next five-years.

The reconfiguring of the gala pool and how lessons previously held in the training pool would be reconfigured was explained. Potential dry-side activities such as an indoor adventure park, clip and climb and bouldering were also included in the presentation. The long-term seafront strategy, leisure opportunities and funding strategies were outlined.

The following speakers and Eastbourne residents addressed the Committee and raised the points below – Ian Phelps, Hugh Graham, Robert Robinson and Jan Bruce:

- As well as a recreational space, the fun pool was an important and thriving space for physical and mental wellbeing, and a crucial venue to teach and promote water-safety. The facilities at the Centre were a much loved and integral part of the community, providing health and social benefits to people of all ages. The fun pool provided an affordable activity in a safe environment for families who were struggling with the cost of living. The closure of the pools risked alienating families, reducing opportunities for youth engagement and undermining public health goals. Studies showed that young people who lived locally to closed facilities performed more poorly in exams and were more likely to commit crime. Local schools in Eastbourne and school-heads should have been consulted on the proposals.

- To date, 7200 people had signed a petition asking for the fun pool at the Sovereign Centre to be saved and 130,000 people had viewed one post about the closure of the two pools at the Centre. There had also been protests at Council meetings where the issue had been discussed. It was important that the Council engaged with residents and listened to their concerns. Responses to communications expressing concern were also expected.
- There was a question over the financial figures presented and whether they were provided by the Council or by Wave Active. The Council stated that the service would need to run at the minimum, on a cost-neutral basis. However, Wave Active would need to agree detailed arrangements. Queries remained over the contract and continuing operational costs. There was also an important question over who the financial risk would sit with should projected budgets not be achieved and whether the Council continued to remain vulnerable to this risk.
- There were concerns over the life-cycle replacement for the Centre and whether the building would be refurbished at some point or whether a new Centre would be built. Depending on the long-term strategy, decisions on maintenance would need to be carefully considered. It was not felt that sufficient detail on the suggested replacement activities and target demographic had been provided. It was highlighted that there were already similar offers in Eastbourne. In order to achieve the most financially advantageous position, the Council's assets needed to be market tested.
- It was suggested that officers review the 2004-2020 audited accounts for the Sovereign Leisure Centre and include any calculations in current proposals. It was further requested that the Council and Wave Active provide a full business plan comparing the running costs for the Centre with two pools open against the costs of maintaining all four pools. The Council was asked to consider the future of Motcombe Swimming pool, which was currently solely managed by volunteers through a community interest company (CIC)
- It was stated that the training pool at the Sovereign Leisure Centre provided a safe, warm and accessible environment for aqua physiotherapy, a vital element in the rehabilitation process for people who had post-operative mobility issues. Disabled changing facilities had also been available. This was an area of treatment under-supported by the NHS and there were no similar facilities in Eastbourne. There would be a financial cost to the NHS from the closure of the training pool as people would continue to need post-operative support. There would also be a human cost as the same people would struggle to get the level of support needed.

Councillor Smart, ward member for Meads, addressed the Committee and expressed the following views:

- Councillor Smart felt that the role of the Scrutiny Committee was to scrutinise decisions and not create managerial solutions. The publicity

gained through the continued discussions on the issue was of benefit to those who sought to reverse the decisions. Conversely, the publicity could reduce membership at the Sovereign Leisure Centre and this element of the discussion should have been carried out more thoroughly in a private part of the meeting.

- Councillor Smart referred to the first of two Cabinet decisions in July 2023, which was to approve the transfer of operations at the Sovereign Leisure Centre to Wave Active and advised that the detailed arrangements should have included a business plan with agreed objectives and priorities. Cabinet also agreed that, due to volatility in the sector and the likelihood of best value not being achieved, the contract would not go out to tender. The business plan referred to in the July 2023 Cabinet meeting had not been seen and nor had the contract with Wave Active.
- He asked that all the pools at the Sovereign Leisure Centre remain open and that an independent advisor be commissioned to analyse future options in the medium and long term.

During discussion, the following points were highlighted:

- Officers advised that the proposals for the Sovereign Leisure Centre to be managed by Wave Active were a short-term holding position. The intention was to look at a five-year lease with a break clause at three-years which would be exercisable by both parties. The capital expenditure on the Centre would be reasonably low between years one and three. The options and recommendations chosen supported the recommendations from the Chartered Institute of Public Finance (CIPFA) in terms of statutory provision and the Council's exposure to risk. The timeframe chosen allowed for longer term solutions, provision, and ideas for the Sovereign Leisure Centre, including financial sustainability and future costs for the Council.
- Officers also confirmed that Wave Active had input into the financial figures in the report and had analysed those figures against its experience in running services across other areas of the sector. Moving quickly to the position decided was also in line with CIPFA recommendations, reducing revenue costs and minimising capital outlay. The outlay costs for the centre would increase significantly in years four and five and the proposals looked to the long-term future of the Centre.
- Members recognised the importance of the Sovereign Leisure Centre to the residents of Eastbourne and visitors to the Town, and particularly the popularity of the fun pool. A number of members recognised that the Council had to achieve significant savings, but expressed concern over the broader issues around the Council's approach to its final decisions for the Centre, why other providers and leisure trusts in the sector had not been approached and whether the consultation process had been correctly undertaken. Those Members also expressed concern at the robustness of the cost-savings proposed through the closure of the fun and training pools, and whether other options to reduce costs and increase revenue has been

thoroughly explored, prior to the decisions made. The exploration for asset and maintenance savings in other Council managed areas was questioned. Members further questioned Wave Active's position as operational manager of the Centre and whether the closure of the two pools would benefit it financially at other profit-making facilities that it also managed.

Disappointment was expressed that there was not a representative from Wave Active in attendance.

- A number of Members on the Committee equally recognised the importance of the Sovereign Leisure Centre to the Town and the public response to the pool closures. Those Members were reluctant to see the swimming pool offer in Eastbourne reduced, but felt strongly that the Council was in an extremely difficult position financially, and was legally required to provide a balanced budget, deliver statutory services and avoid the risk of a section 114 notice being imposed. The understanding had been that the work required to operate the fun pool in terms of revenue costs and capital maintenance costs, currently and in the future, made the pool unviable. However, Members sought further clarity on this point. Members confirmed that there was no discussion being held on the closure of the Centre as a whole and part of the discussion was around the Council's strategic direction with stakeholders on health and leisure in the Borough. It was initially recommended that a strategic health and leisure advisory group be set up which would include stakeholders and look at leisure and health options in the future.
- Officers advised that the Chief Executive of Wave Active had been due to attend the meeting, however, a personal bereavement had prevented this. It was confirmed that the Council had been working with Wave Active since 2023 on providing a viable service, however, assumptions initially made had been affected by the continuing financial impact of homelessness in the Borough. The necessity for a five-year holding contract, which allowed time for long-term options for the Sovereign Leisure Centre and the Council's overall strategic leisure offer as a whole to be assessed. This meant that the appeal of the contract in an open market was limited. Officers confirmed that the projected negative cost to the Council if the facilities at the Leisure Centre were retained as they had been, with all the pools open, was £262,000. This figure included running and capital costs, and reflected scenarios A,B,C and D in the report. It was further confirmed that the Management of the Centre would be through the charitable arm of Wave Active and its Trust.

Members went on to raise the following points:

- If the closure of the fun and training pools were necessary for the Council to provide a viable leisure centre, other options such as a health & wellbeing hub and a hydrotherapy pool with potential NHS funding should be considered. Additionally, there were insufficient youth hubs in the Borough, and this could be accommodated at the Sovereign Leisure Centre
- The Council should consider the suggestion made previously, that the

management of the Centre should go out for market-testing.

- There was concern that the reconfiguration of the gala pool to accommodate all swimming lessons transferred from the training pool, as well as lane swimming and other activities, was not sufficient. There was also concern that the lower temperature in the gala pool and the change in water-depth would discourage swimmers.
- There were further questions over the finances and in particular the varying figures that had been provided for the cost-savings that would be achieved following the decisions made at the Cabinet meeting in September 2024. There also remained the question of why an earlier intervention was not made to address the issues and provide a plan that allowed all the pools to remain open and achieve a cost-neutral position.

Officers and the Cabinet Member for tourism, leisure, accessibility and community safety confirmed that:

- Following the Cabinet decision, final heads of terms for the contract were being discussed but had not yet been signed. It was not considered, in the short-term, that the management of the Sovereign Leisure Centre should go out for market testing as it would not put the Council in a strong position to deliver the savings required at the earliest opportunity. The longer-term position would include further work by the Council and ensuring that the offer put forward met the Council's ambitions and was more attractive in the marketplace.
- There would be a change in the water temperature for users from the training pool to the gala pool, which was set at a fixed temperature for its current needs. However, this was under review and management of the gala pool would need to consider its new uses. Disabled changing would still be available, along with a hoist-system and any adaptations needed to accommodate a wide variety of users would be looked at. It was anticipated that the gala pool would be able to accommodate learner swimmers of all ages.
- The cost-saving figures had been seen by Members and there had been significant cuts across the Council's tourism offer. It was critical that the facilities the Council was responsible for, including the Sovereign Leisure Centre, and Council run events such as Airbourne, were delivered as cost neutral. The Council had to, where possible, reduce its financial risk. The theatre offer would also be reviewed.

The Scrutiny Committee adjourned at 20:00 for comfort break.

The Scrutiny Committee reconvened at 20:08 and the Chair, Councillor Shore, confirmed that no discussion had taken place on the item, by the Committee, during the break.

During discussion on possible recommendations, the following points were

raised:

- A number of Members remained dissatisfied at the inconsistency of the cost and savings figures and felt that the internal financial assessment should be revisited with support from external bodies. A number of Members also felt that the experience for learner swimmers and young people involved in swimming lessons would be compromised. There continued to be a desire among those Members for the decision made to close the fun and training pools to be reversed, and for the management of the Centre to go out for market testing. Assurance was also sought that future income streams for the Centre had been thoroughly assessed.

Following a number of recommendations by Councillor Shuttleworth which was seconded by Councillor Parker, Members voted by a majority of 5 in favour and 3 against, it was resolved that:

- 1) The Scrutiny Committee recognises the strength of feeling and support of the Sovereign Centre and thanks the public for their support and contributions.
- 2) The Scrutiny Committee recognises that the Council is fully committed to keeping the Sovereign Centre open and this commitment is supported.
- 3) The Scrutiny Committee understands the financial challenges facing the Council, due to a combination of the condition of an aging building, which will continue to require significant maintenance costs, coupled with the wider financial pressures which are faced by some councils.
- 4) The Scrutiny Committee recognises the opportunity to work with the wider community to explore new options to promote swimming, health and leisure across Eastbourne and recommends the formation of an Eastbourne Strategic Health and Leisure Advisory Group, to consult widely and explore new ideas and potential funding opportunities to invest in the Centre and in leisure across the town.
- 5) The Scrutiny Committee recognises that the Council has continued to spend significantly on necessary works at the Sovereign Centre and is committed to spending on further priority works at the Centre.

The following recommendation was proposed by Councillor Dehdashty and seconded by Councillor Ballard and accepted by a majority vote of 5 in favour and 3 against.

- 1) The Scrutiny Committee supports the modernisation of the Sovereign Centre to provide a wider range of activities and additional income streams.

The following recommendations were proposed by Councillor Shore and seconded by Councillor Small but were not accepted by the Committee with 3 votes in favour and 5 against:

- 1) The Scrutiny Committee ask that Cabinet seek independent advice from

outside bodies and review the internal assessment of the pools.

- 2) The Scrutiny Committee does not feel it had been given sufficient time to consider the request from Full Council as the financial information had been lacking.

40 Corporate performance - quarter 2 - 2024/25

Jo Harper, Head of Business Planning and Performance and Linda Farley, Assistant Director Customer Service and Delivery, presented the report which detailed the council's progress and performance in respect of service areas for the Second Quarter of the year (July-September 2024) as shown in Appendix 1 of the report. During discussion, the following points were highlighted:

- Regarding the performance indicator for the average void relet time key-to-key, the only opportunity to undertake significant refurbishment was when a property was void and by its nature, it meant that there would be period of time before new tenants could move in.
- With regard to the performance indicator for Time taken from council receiving a fully complete disabled facility grant application to the council approving the grant, the process was complex and involved gathering all the information needed and ensuring the applicant was eligible.
- Council tax and business rates collection values had improved significantly from the first quarter of 2024/2025. However, a system migration was still ongoing, and extra staff had been brought in to support the Teams work.
- The performance indicator for the average time taken to answer calls had improved greatly and was a difficult indicator to benchmark as other local authorities generally, did not publish their times. The calls received were complex and the complexity increased with the impact of the cost-of-living crisis and multiple needs. Similarly, the complexity of cases had impacted on the average time taken to process new claims for housing and council tax benefit. The system migration had affected this area of work also. However, it was anticipated that different working methods and additional staff brought in would make improvements.
- Appendix 2 to the report provided detail on benchmarking through the sources such as Local Government (LG) Inform and East Sussex County Council.

Resolved to note the report.

41 Provisional Revenue and Capital Outturn 2024-25 Q2 and Council Budget reset for 2024/25

Steve Houchin, Deputy Chief finance Officer and Lynn Ingram, Interim Head of Financial Planning, presented the report which detailed the resetting of the

budget for 2024/25 at the midpoint of the year, incorporating key financial risks, issues and opportunities for the General Fund and the Housing Revenue Account (HRA) and setting the basis for preparing a balanced General Fund budget for 2025/26. During discussion, the following points were highlighted:

- The strategic savings referred to in the report were areas where savings that would de-risk the Council had been identified but where final figures had not yet come forward and further work was needed.

Resolved to note the report.

42 Interim medium term financial strategy - to follow

Steve Houchin, Deputy Chief Finance Officer and Lynn Ingram, Interim Head of Financial Planning, presented the report which detailed the interim Medium Term Financial Strategy for 2025/26 to 2026/27, together with the updated Capital Programme position. During discussion, the following points were highlighted:

- With reference to the Council's borrowing costs, the total cost for interest was made up of two components: interest rate for the principal loan, which is at 5% and assumed on the basis of the medium-term financial strategy; and the minimum revenue provision, which reflected the Council's obligation to put aside funding to repay the principal that has been borrowed against.

Resolved to note the report.

43 Forward Plan of Decisions

The Chair introduced the Forward Plan of Cabinet decisions which outlined those reports due for consideration by the Cabinet its future meetings. The Committee noted the following additional items that would be considered for inclusion on the Committee's next agenda:

- General fund budget 2025/26 and capital programme
- Treasury Management and Prudential Indicators 2025/26, Capital Strategy & Investment Strategy
- Housing revenue account budget 2025/26
- Local council tax reduction scheme

Resolved to note the Forward Plan of Cabinet decisions.

44 Scrutiny Work Programme

The Chair introduced the Scrutiny Committee work programme. Members were advised of the items already included in the work programme and were asked if there were additional items that they wished to be included.

Resolved to note the Committee's work programme.

45 Date of the next meeting

Resolved to note that the next meeting of the Scrutiny Committee is scheduled to be held on 10 February 2025 in the Court Room, Town Hall, Eastbourne commencing at 6:00pm.

The meeting ended at 9.50 pm

Councillor Kshama Shore (Chair)