



Report of the Leader / Cabinet Member for Economy, Finance and Strategy

Cabinet – 21 March 2024

Extension of Existing Management Agreement and Lease Arrangements Relating to Wales National Pool Swansea

Purpose:	To seek approval to extend the current management arrangements for Wales National Pool Swansea between the Council, Swansea University and Wales National Pool Swansea. To comply with Financial Procedure Rule 5 to seek approval to continue with the current funding arrangements for a further two years.
Policy Framework:	Well-being of Future Generation Act, Swansea Council Well-being Plan, Financial Procedure Rules, Creating an Active and Healthy Swansea
Consultation:	Access to Services, Finance, Legal and Corporate Building Services
Recommendation(s):	It is recommended that Cabinet: 1) Notes that the original management arrangements for the Wales National Pool Swansea and associated sporting facilities were formally extended for a period of three months from 24 December 2023 to 31 March 2024 and retrospectively approves that extension. 2) Approves the extension of the management arrangements for up to a further period of two years from 1 April 2024 to 31 March 2026 and approves the financial implications as set out in paragraph 4. 3) Grants delegated authority to the Head of Property Services in conjunction with the Chief Legal Officer to approve and enter into any legal documents required to achieve the extension and protect the Council's interests.
Report Author:	Jamie Rewbridge

Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

Call In Procedure - Urgency:

This decision is exempt from the Authority's Call In Procedure as "either the Head of Paid Service, the Section 151 Officer or the Monitoring Officer certifies that any delay likely to be caused by the Call In Procedure could seriously prejudice the Council or the Public Interest including failure to comply with Statutory requirements".

1. Background

- 1.1 The arrangements governing the management of the Wales National Pool Swansea (WNPS) and associated sporting facilities have been in place since 1999, as a partnership arrangement between the Council, Swansea University and the Wales National Pool Swansea.
- 1.2 They involve a complex set of legal documents consisting of a Joint Venture Agreement, a supplemental agreement, WNPS management agreement and an Athletics Management Agreement.
- 1.3 Those legal agreements were due to end on or around 24 December 2023 and were extended for a three month period to allow the parties further time to explore options for the future management of the WNPS and associated sporting facilities.
- 1.4 Given the complexity of the arrangements, in particular the long standing nature of the partnership and facility ownership, the operation and funding of the wider site (referred to as Swansea Bay Sports Park), which includes Wales National Pool Swansea and the Athletics and Hockey Facilities, the parties require additional time to consider options for future operation of the facilities. A decision will need to be made jointly by partners and consequently there is a need to further extend the current arrangements for up to a two year period from 1st April 2024.

2. Current status

- 2.1 The management arrangements need to be further extended for a period up to two years but will end earlier in the event that the parties enter into new operating arrangements.
- 2.2 Legal documents have been prepared to extend the current management arrangements for the WNPS and new leases have been agreed to regulate the various land interests and uses for the period of the extension.

- 2.3 Swansea Council, together with Swansea University (the Partners), is committed to working in partnership to provide the infrastructure for the future development of the Swansea Bay Sports Park (SBSP) at Sketty Lane, Ashleigh Road and King George V fields which includes the Wales National Pool.
- 2.4 The Partners hold a joint strategic vision of creating an internationally renowned destination for sport that is managed and operated via a single entity, to maximise operational performance and which is available to enhance the opportunities for the wider community, elite sport, University students, clubs and schools.
- 2.5 Significant work has been undertaken to explore the options for a future delivery model, however given the mixed operating model, shared and individual ownership and management of the facilities onsite, the project is complex and a thorough joint process must be undertaken between parties to ensure that the right solution and outcome is found.
- 2.6 Failure to agree an extension of terms for two years in the first instance, will impact on the future operation, sustainability and have significant service provision and staffing implications.

3. Integrated Assessment Implications

- 3.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 3.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 3.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 3.4 The proposal outlines a continuation of the existing arrangement that have been in place 25 years, and operating the facilities since 2003/4. The extension means that the existing governance, funding and service delivery and employment arrangements will continue for a further 24 months, in order to allow time for the wider review and options for the Swansea Bay Sports Park to be furthered, which will involve separate IIA process and detailed consultation with all/any identified stakeholders.
- 3.5 The continuation of the existing arrangements as set out in the report ensure that the service delivery for our communities and users, which include those of protected characteristics and target groups through the programmes and sessions that are provided.
- 3.6 Not undertaking the extension, would have significant impact on the staffing employed at the pool, as this would provide unnecessary risk to their roles and livelihood. In the event that the extension was not agreed, this would also provide unnecessary risk upon the services provided to our communities, including for young people learning to swim, for schools, pregnancy/maternity, older people and a range of other user groups that the services provided offers to the general public and stakeholders.

4. Financial Implications

- 4.1 The current level of subsidy provided to fund the service provision at Wales National Pool and Swansea University is shared jointly with the University on a 50/50 basis. The proposed extension does not propose to amend the principles of the funding share.
- 4.2 The Council's anticipated share to continue funding the jointly operated/funded facilities over the extension period recommended within this report, is set out in the table below.

Facility	Period/Year	Value £
Wales National Pool Swansea	Dec 23-March24	£138k
	24/5	£550k
	25/6	£550k
Hockey and Athletics Facilities	Dec 23-March24	£42k
	24/5	£165k
	24/5	£165k
TOTAL		£1610k

- 4.3 The above totals are based upon current projections, however could be more or less in any one year due to the nature of the subsidy relying on income and operational performance of the venue(s) to deliver within budget set.
- 4.4 The anticipated cost of the extension period from 24 December 2023 to 31 March 2024, which requires retrospective approval is likely to be £60k per month, or £180k for the period for both facilities.
- 4.3 It is therefore anticipated that the value of any extension should be considered to be at least £1610k. across the period, however to provide coverage in the event of poor performance or unforeseen circumstances, an allowance of C10% is added to the budget figure for approval as set out in this report, that is up to £1800k across the extension period 24 Dec 2023 to 31 March 2026.
- 4.5 The associated and available budget to fund all extension periods detailed in this report are contained within Cultural Services, within the Place Directorate.
- 4.6 Whilst recognising budget pressures across the Council, but with no immediate savings identified to these specific budgets, a continuation of funding provided to sustain these services is considered affordable despite the recent uplift in cost due to energy and post covid recovery.

5. Legal Implications

- 5.1 The legal documents necessary to give effect to the extension of the management arrangements for the WNPS and associated sporting facilities consist of a Commercial Deed of Extension and five new renewal leases to cover the contractual term from 1st April 2024 up to and including 31st March 2026. Each of these leases will be contracted out of the security of tenure provisions under sections 24-28 of the Landlord and Tenant Act 1954. The leases relate to the following:
- Lease of Sports Centre and Buildings at Sketty Lane between (1) Swansea University and (2) Swansea Council (2000 lease)
 - Lease of Sports Centre and Buildings at Sketty Lane between (1) Swansea University and (2) Swansea Council (2004 lease)
 - Lease of Tennis Courts and land at King George V Playing Fields, Ashleigh Road between (1) Swansea Council and (2) Swansea University
 - Lease of Wales National Pool Sketty Land between (1) Swansea University and (2) Swansea Council
 - Lease of land at King George V Playing Fields (1) Swansea Council (2) National Pool

- 5.2 It has been necessary to exempt this report from the Council's call-in procedures as all legal documentation necessary to give effect to the extension of current management arrangements must be signed by all parties by 31 March 2024. Failure to do so will result in a lack of governance arrangements for the operation of WNPS and associated sporting facilities and will place the Council at commercial and reputational risk.

Background Papers: None

Appendices

Appendix A – IIA Screening