

10am, Thursday 30 May 2013

Leith Waterworld – Progress on Community Bid

Item number	8.2(a)
Report number	
Wards	Ward 13 Leith

Links

Coalition pledges	P23, P42
Council outcomes	CO1, CO2, CO3, CO4, CO6, CO9, CO10, CO20
Single Outcome Agreement	SO1, SO2, SO3

Alastair D Maclean

Director of Corporate Governance

Contact: Karen Kelly – Head of Corporate Programmes

E-mail: karen.kelly@edinburgh.gov.uk | Tel: 0131 469 3184

Executive summary

Leith Waterworld – Progress on Community Bid

Summary

On 31 January 2013 the Council agreed to support the feasibility phase for the re-opening of Leith Waterworld and to set up a Councillor/Officer Working Group to support the community in developing the finalised business plan (full decision detailed in paragraph 1.2 of the attached report). This report details the progress made in developing the community bid and incorporates input from Splashback.

A separate report has been submitted to this meeting which informs Members of a financial bid that has been received for the purchase of the property.

Recommendations

The Council is asked to note the report.

Measures of success

This report details the progress made on the Council decision of 31 January 2013 on establishing whether Leith Waterworld can be operated within the parameters of a finalised and agreed business plan.

Financial impact

There is no direct financial impact arising as a result of this report. The financial implications of supporting the feasibility phase of the community bid are identified in Act of Council No 6 of 31 January 2013.

Equalities impact

The subject of this specific report has no relevance to the public sector duty contained in the Equality Act 2010.

Sustainability impact

The Splashback community bid proposes that a successful leisure pool and soft play facility would contribute to Edinburgh's high quality of life and promote wellbeing for people of various age groups and abilities. The bid envisages offering youth employment, training and volunteering opportunities. Splashback also intend to seek external grants to improve the energy efficiency of the building.

Consultation and engagement

The Councillor/Officer Working Group has met regularly since the Council decision of 31 January. This is a cross party group which also involves Council officers and members of Splashback.

Background reading / external references

Act of Council No 6 of 31 January 2013

[Disposal of Leith Waterworld report to Council of 31 January 2013](#)

[Disposal of Leith Waterworld](#) report to Council of 20 September 2012

Leith Waterworld – Progress on Community Bid

1. Background

- 1.1 The Council on 31 January 2013 considered a joint report by the Directors of Services for Communities and Corporate Governance on Splashback's community bid for Leith Waterworld. Splashback had asked the Council to approve the bid in principle, subject to a successful outcome from the feasibility phase and to Council safeguards. The Directors' recommendation was to reject the final revised bid from Splashback and approve the remarketing of the property.
- 1.2 The Council agreed:
- 1) To note the report on the disposal of Leith Waterworld and the revised business case submitted by Splashback.
 - 2) To reject the recommendations outlined in the report and instead:
 - a) To agree to support the feasibility phase for the re-opening of Leith Waterworld.
 - b) To agree that, should the Leith Waterworld Community Bid feasibility phase establish that Leith Waterworld can be operated within the parameters of a finalised and agreed business plan, then the transfer and granting of an operating subsidy be allowed to proceed.
 - c) To agree to provide £350,000 over a three year period, to re-open Leith Waterworld as outlined in Option 2 of the Leith Waterworld Community Bid.
 - d) To agree to release up to a maximum of £125,000 in year one from Corporate funds, to help facilitate this process. This would comprise £100,000 for the feasibility stage with the balance of year one funding and the funding for future years dependent on the community bid securing the necessary capital to invest in the facility.
 - e) To require that, as part of the feasibility phase, the Leith Waterworld Community Bid produce a business plan to be assessed by an independent third party, agreed by the Director of Corporate Governance in consultation with the Convener of Culture and Sport.
 - f) To agree that a Councillor/Officer Working-Group be set up to support the community in developing the finalised business plan, which included the City of Edinburgh Council safeguards, to be

agreed with the Director of Corporate Governance in consultation with the Convener of Culture and Sport, reporting to the Culture and Sport Policy Development and Review Sub-Committee.

- g) To note that the working group would consider the management options for the facility including the possibility of setting up a Co-operative venture.
- h) To call for a final report at the end of the feasibility phase by no later than the end of 2013.
- i) To agree to re-market the property, to run concurrently with the feasibility phase.

1.3 A separate report has been submitted to this meeting which informs Members of a financial bid that has been received for the purchase of the property.

2. Main report

Working Group

- 2.1 The Councillor/Officer Working Group set up by the Council to support the community in developing the finalised business plan meets on a fortnightly basis. Six meetings have taken place so far.
- 2.2 The political makeup of the Working Group is 2 Labour, 2 SNP, 1 Conservative, 1 Green and 1 Liberal Democrat (Councillors Perry (Chair), Munro, McVey, Dixon, Paterson and Booth). Officers from Finance, Economic Development and the Co-operative Development Unit also attend as well as members of Splashback. Karen Kelly, Head of Corporate Programmes, is the Lead Officer for the responsibilities of the Council in relation to the working group.
- 2.3 The following section provides a progress update on behalf of the Working Group.

Workstreams

- 2.3 A number of workstreams for the project have been identified and allocated within the Working Group (see Appendix 1) and a report back on each is received at each meeting. The workstreams are:
 - Marketing and Press
 - Wet Operations
 - Dry Operations
 - Finance
 - Site Development
 - Programme Office
 - Legal
 - Fundraising and Partner Support
- 2.4 Progress has been made on the critical workstreams, as follows:

(a) Wet and Dry Operations/Tendering

A separate set of meetings has taken place on the tendering process for the feasibility study which will be carried out under the Council's Contract Standing Orders. These meetings have involved Councillor Perry, the Council Lead Officer and officers from Finance, Procurement, Culture and Sport and Corporate Property as well as a Splashback representative.

Two tender documents have now been issued – one for Design and Engineering Services and one for Consultancy Services for the Development of a Business Plan. Quotes have been requested by the end of June. An Evaluation Panel (comprising two Council officers and two members of the Working Group) will then meet to assess the bids.

(b) Legal/Governance

Splashback submitted an application to OSCR (Office of the Scottish Charity Regulator) on 26 April 2013 for the establishment of a SCIO (Scottish Charitable Incorporated Organisation), a form of charitable status which has been available since 2011. This application was developed with help from EVOG.

It is the intention that the SCIO, under the name of 'Leith Waterworld Community Hub', will be the group that develops the bid and would in the future be the vehicle for the running of the pool as a community led enterprise. It is expected that the charity will be set up and operational by the end of July.

(c) Fundraising and Partner Support

Splashback attended a recent Meet the Funders event and have reported a positive response from a number of funders, including sportscotland, the Robertson Trust and the Big Lottery. All were aware of Splashback and their bid for Leith Waterworld.

Details of funding applications and other possible sources of funding are as follows:

sportscotland - There are two funds for capital:

- Legacy 2014 Active Places Fund – Between £10,000 and £500,000 is available for the provision or upgrading of physical recreation & sporting facilities for the general public. Projects will need to demonstrate the ability to create new facilities and upgrade and improve the accessibility of existing ones, or reduce barriers to activity.
- Sport Facility Fund - Between £10,000 and £500,000 is available for upgrading sporting facilities for use by the general public.

Splashback were advised that they should draw up a wish list of capital expenditure and start discussing their plans with sportscotland.

BIG Lottery Funding:

Investing in Ideas - Splashback has submitted an application for £9,500, which would cover the recruitment of a Development Manager and dedicated time from a Splashback Co-ordinator to liaise, co-ordinate and support the work of both the Development Manager/s and Splashback. This would allow them to develop capacity within the group.

Developing Community Space - Grants are available from £10,000-£250,000 which support communities to become more involved in, and to take responsibility for, communal spaces. It will fund community projects which improve the appearance, accessibility and sustainability of local spaces, places and buildings.

Growing Community Assets - This fund supports communities in acquiring and developing their own assets. The fund provides between £10,000 and £1m and aims to support four outcomes:

- Communities work together to own and develop local assets.
- Communities are sustainable and improve their economic, environmental and social future through the ownership and development of local assets
- Communities develop skills and knowledge through the ownership and development of local assets.
- Communities overcome disadvantage and inequality through the ownership and development of local assets.

Council officials are already aware of this fund and are well advanced in providing support to local communities including Splashback to develop applications.

Commonwealth Games Legacy - Discussions have also taken place with Senscot about funding possibilities around the Commonwealth Games Legacy.

The People's Postcode Lottery Dream Fund - The 2014 funding stream opens in August. The Dream Fund is a new and innovative 12-month project of up to £100,000 for projects that meet one of the following funding criteria:

- Encouraging Active Living
- Bringing Communities Together
- Tackling Climate Change
- Expanding Life Opportunities

The Postcode Lottery have confirmed that Splashback suit the criteria and that they would be interested in hearing more about their plans.

Robertson Trust - The Robertson Trust has advised that they are on the lookout for major capital flagship projects and would welcome an application from Splashback. They will be considering applications in the autumn.

Discussion has also taken place with a number of other smaller funding organisations like Tesco.

(d) Community Engagement/Press and Marketing

The Splashback website has been updated to reflect the new working group and to inform supporters of the project and the general public. The website gets on average 100 unique visits every day despite being only periodically updated due to capacity in the working group phase. The website has been accessed/viewed by over 40,000 people since setup in December 2011, averaging at 2500 per month.

Splashback is followed by 1373 people on Facebook, which gives them direct access to updating supporters, and has over 600 followers on Twitter.

Splashback has secured money from Leith Decides community funding to undertake a fun community engagement day as part of the Leith Festival in June.

Splashback members are continuing to meet weekly on Tuesday evenings, as well as having committed to meeting with the working group once a fortnight for the development phase.

Benefits of a Community Owned Business

- 2.5 Community owned businesses are businesses that are owned by, and run for, the benefit of communities. Prominent examples include charities' subsidiary trading companies or community interest companies (CICs). A distinction is made between cooperative organisations or businesses that are communally owned, and managed businesses operated for the benefit of its members.

As identified above, the Splashback Group has submitted a SCIO registration to the OSCR as part of the governance workstream. Given there will be trading and/or social enterprise elements identified within the proposed Splashback Business Plan, this group could be defined as a community owned business.

- 2.6 There is a growing body of organisations and research which advocate for the potential benefits of community owned businesses. In particular, Cooperative UK and Carnegie UK Trust identify that community owned businesses can:
- (i) lead to superior business performance, as the community are no longer passive customers, but co-own the business. This can improve customer loyalty but also, as co-owners, members of the community may volunteer to help in ways which they would not do for a privately owned business;
 - (ii) be more sustainable (i.e. less likely to fail than traditionally owned businesses) and can take a longer term view, as there are no external shareholders requiring short term returns. Examples are provided of the 260 community shops taken over in the last decade in the UK, of which only 3 have failed;

- (iii) benefit the communities they operate in because the rewards are shared amongst the people who work within the business and the wider community, rather than going to a single owner or external shareholder;
- (iv) not always be the easiest way to provide facilities and run services, and can require high levels of commitment from community members and supporting agencies. However, they can offer opportunities for greater innovation, improved quality services and financial efficiency.

Next Steps

- 2.7 It is expected that the outcome of the two tenders will be available by the end of July. This will inform the new design layout and operational requirements of reopening the facility as a leisure pool and soft play area with cafe which will allow the creation of a detailed business plan in a form that can be used to apply for capital grant funding. As reported in paragraph 2.4(c) above, this will test out the response that Splashback has received from potential funders. It is acknowledged that the project would need to access a number of funding sources in order to cover the full cost of refurbishment. Splashback has reported that there are strong indications that the funders who have been approached are very interested in receiving applications from the project. At the present rate of progress it is envisaged that by the end of October the project will know the level of funding available which will comply with the December deadline to report back to Council.
- 2.8 The next steps outlined, however, will depend upon the decision taken by Council in relation to the separate report submitted to this meeting on the potential sale of the Leith Waterworld property.

3. Recommendations

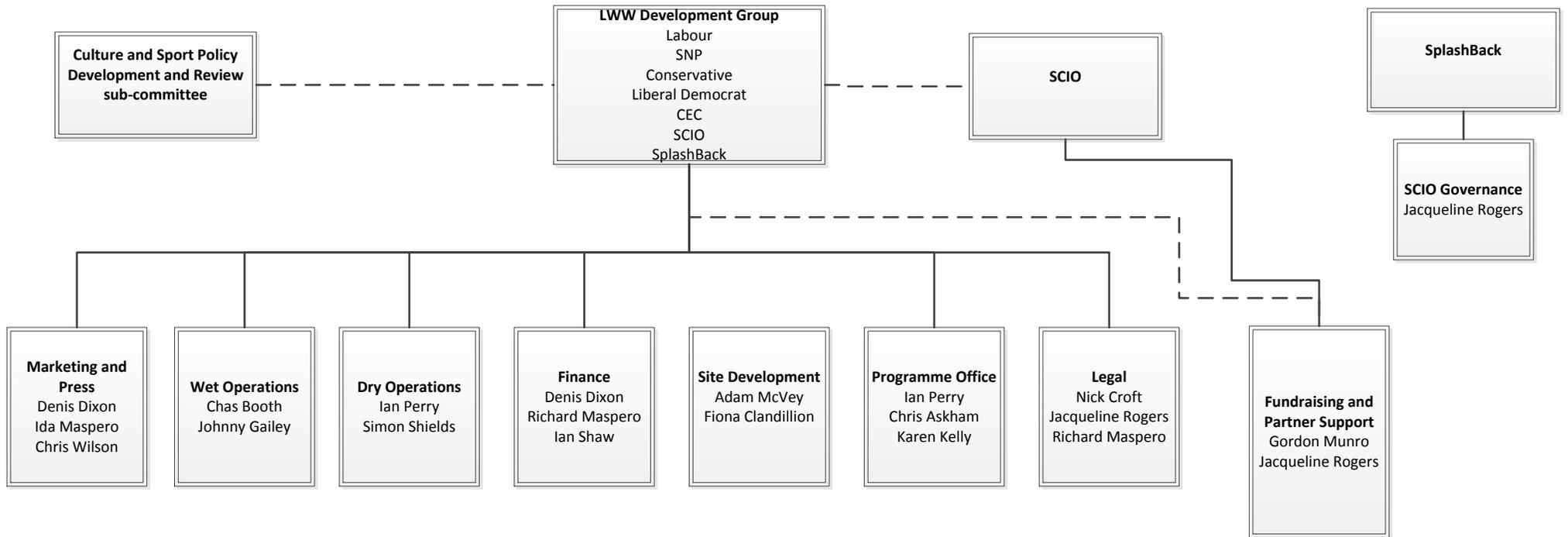
- 3.1 The Council is asked to note this report.

Alastair Maclean

Director of Corporate Governance

Coalition pledges	P23 - Identify unused Council premises to offer on short low-cost lets to small businesses, community groups and other interested parties P42 - Continue to support and invest in our sporting infrastructure
Council outcomes	CO1 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO2 - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities CO3 - Our children and young people at risk, or with a disability, have improved life chances CO4 - Our children and young people are physically and emotionally healthy CO6 - Our children's and young people's outcomes are not undermined by poverty and inequality CO9 - Edinburgh residents are able to access job opportunities CO10 - Improved health and reduced inequalities CO20 - Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	Appendix 1 - Leith Waterworld workstreams

Leith Waterworld Workstreams



Mission Statement

“To develop and re-open, under community-led management, a revitalised and enhanced Leith Waterworld as a pool and leisure destination, an inclusive hub for health and wellbeing, and a sustainable business rooted in the community. “