

**Subject:** Saltdean Lido  
**Date of Meeting:** 5<sup>th</sup> December 2013  
**Report of:** Assistant Chief Executive  
Executive Director Finance and Resources  
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**Ward(s) affected:** Rottingdean Coastal

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The report seeks approval to appoint the Saltdean Lido Community Interest Company (SLCIC) as the preferred bidder for a 60-year lease of the Saltdean Lido site.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee agree to award the Saltdean Lido Community Interest Company preferred bidder status and release Freedom Leisure from their position as reserve bidder.
- 2.2 That the Committee agree the Heads of Terms relating to the Lido for the Agreement for Lease, the 60-year Lease and Library Lease back to the council as set out in Appendix 1 and authorises the Head of Legal Services to complete the Agreement for Lease substantially in accordance with the Heads of Terms.
- 2.3 That the Committee note the proposed Heads of Terms between SLCIC and Wave Leisure set out in Appendix 2 and agree that they are satisfactory.
- 2.4 That the Committee notes the indicative programme referred to at paragraph 3.10 of this report.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The background information in relation to Saltdean Lido has been covered in detail in previous reports and therefore this information is not repeated. The previous reports include those to the Culture, Recreation & Tourism Cabinet Member Meetings of 6<sup>th</sup> December 2011 and 6<sup>th</sup> March 2012, as well as the reports to the Special Policy & Resources Committee on 30<sup>th</sup> May 2012 which authorised the surrender of the previous lease. Since then there have been reports to Economic Development & Culture Committee on 20<sup>th</sup> September 2012, Policy & Resources Committee on 24<sup>th</sup> January 2013 and most recently

Economic Development & Culture Committee on 19<sup>th</sup> September 2013 where the results of the marketing exercise were provided.

3.2 In March 2013 the council marketed the site by inviting expressions of interest from suitable organisations. Those interested parties were provided with further information and invited to submit an Initial Bid which was evaluated on their ability to meet the following list of key outcomes:

- A well-used, accessible, year-round community and leisure facility
- A building and surrounding grounds that are renovated in a manner that would be likely to receive Listed Building Consent and, if required, planning permission
- Improved swimming pool provision
- Financially sustainable for the term of the lease including meeting all maintenance requirements and statutory obligations
- Improved library facilities
- No ongoing BHCC subsidy
- An environmentally sustainable facility

3.3 Three Initial Bids were submitted and these were evaluated by a panel of officers from Procurement, Finance, Legal, Property & Design, Planning, Libraries and Sport and Leisure.

3.4 A shortlist of two organisations (Freedom Leisure and SLCIC) were invited to attend clarification meetings to discuss their Initial Bids further and receive feedback. They were then invited to work up and submit Final Bids, taking into account further consultation with key partners and the feedback received.

3.5 Both organisations submitted Final Bids and these were evaluated by the same panel using the same key outcomes listed above. The SLCIC were appointed provisional preferred bidder enabling them to enter into negotiations with the council on the terms of the lease.

#### **Preferred Bid**

3.8 The bid from SLCIC includes the following:

- Fully restored building sensitive to the Grade 2\* listing
- Heated pool water to extend season
- Fitness Gym
- Cafe
- Extensive community areas and community engagement
- Extended library
- Heritage and education room
- Improvements in environmental sustainability of the facility

## **Funding**

- 3.9 In order for the restoration of the Saltdean Lido Complex to be achieved, significant capital expenditure will be required due to the poor condition of the building. An application for grant funding of several million pounds from the Heritage Lottery Fund (HLF) will be required and the ability to achieve the restoration is dependent upon such funding being secured. Therefore, the pools will remain closed for the foreseeable future.

## **Outline Project Programme**

- 3.10 An indicative project programme is provided below. This programme is provisional and is heavily dependent upon a number of factors including funding applications, surveys and gaining the necessary planning and listed building consents.

| <b>Activity</b>                                                                              | <b>Date</b>     |
|----------------------------------------------------------------------------------------------|-----------------|
| Bid to HLF for start-up grant                                                                | January 2014    |
| Bid to HLF for full grant                                                                    | Spring 2014     |
| Bids to other funding bodies including English Heritage, Architectural Heritage Fund, Veolia | Throughout 2014 |
| Launch of Community Share offer                                                              | Autumn 2014     |
| Fundraising activities                                                                       | Ongoing         |
| Commence building/refurbishment project                                                      | Early 2015      |
| Complete building/refurbishment project                                                      | Spring 2016     |
| Re-open Saltdean Lido for use                                                                | Summer 2016     |

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The report to Policy and Resources Committee on 24<sup>th</sup> January 2013 set out the alternative options to marketing the site. These were to operate the site 'in-house' or to let it under a management contract.
- 4.2 A robust evaluation process was used to consider both bids and select the preferred option.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Bidders consulted with ward councillors and local community groups including the Saltdean Community Association and the Saltdean Resident's Association. Consultation was also undertaken with local residents and with the White Rooms Beauty Therapists (existing tenants of the site along with the Saltdean Community Association). Further consultation was undertaken with council planning, libraries and sustainability departments.

- 5.2 Together with the council the preferred bidder will undertake additional consultation with English Heritage and the Heritage Lottery Fund as part of the funding application.

## **6. CONCLUSION**

- 6.1 The successful marketing exercise and robust evaluation of bids has demonstrated that the council has undertaken best consideration of the long-term future of the Saltdean Lido site and met the key outcomes set out at the start of the process as referred to in 3.2 above.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 A detailed financial evaluation was carried out as part of the selection process. The capital costs for the restoration of the Lido are in excess of £5m and the key risk to this project is the ability to secure substantial grant funding as referred to in paragraph 3.9. The majority of the grant funding will be sought from the Heritage Lottery Fund with further applications including English Heritage, the Architectural Heritage Fund and Sport England.
- 7.2 In addition to grant funding, the SLCIC have identified a number of funding streams to support the project. This includes a £20k contribution from Lewes District Council and matched funding is being sought from this Authority; we are currently awaiting confirmation of the Lewes DC contribution. Section 106 funding of £335k will also be used in support of this project subject to the conditions of the agreement. Officers will work with the SLCIC and monitor progress of the grant application process.

*Finance Officer Consulted: Anne Silley*

*Date: 05.11.13*

### Legal Implications:

- 7.3 The proposed Heads of Terms set out in Appendix 1 represent an appropriate way forward for this matter and have been agreed by SLCIC. SLCIC and Wave have also agreed the Heads of Terms set out in Appendix 2.

*Lawyer Consulted: Bob Bruce*

*Date: 04.11.13*

### Equalities Implications:

- 7.4 The council seeks to provide a range of opportunities for residents to participate in sport and community activities across the city and the Lido complex is recognised as an important part of community leisure provision.

### Sustainability Implications:

- 7.5 The preferred bid proposes a number of improvements to the environmental sustainability of the building including the use of renewable energy, improved insulation and more energy efficient plant.

### Any Other Significant Implications

- 7.6 The provision of improved sport and leisure opportunities will benefit the health and wellbeing of the local community and can help towards reducing anti-social behaviour.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Proposed Heads of Terms of lease, Council and SLCIC
2. Proposed Heads of Terms of management agreement, SLCIC and Wave Leisure
3. Site plan

### **Documents in Members' Rooms**

None

### **Background Documents**

1. Previous committee reports referred to at paragraph 3.1 of this report

