

YMCA Kirkham

Disposal Plan

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Audience	Fylde Borough Council

SCOPE

This disposal plan aims to provide the necessary detail for the Council to approve the plan and for YMCA to work in partnership with Council officers in order to take the plan forward. As per the 2009 Agreement, it addresses two items:

1. How the premises will be disposed of
2. Associated dates

It does not seek to set out all the due diligence and contractual requirements associated with the plan. This will be carried out by legal teams as and when the disposal is initiated.

TIMEFRAMES

The Agreement relating to the transfer of the facility from Fylde Council to YMCA sets out timeframes that were, in the first instance, initiated by the Closure Event notification. In turn, the submission of this Disposal Plan gives the Council 28 days to inform YMCA whether it approves or rejects the plan. If rejected, the Council should identify the elements of the plan that it is dissatisfied with. If a decision is not given within 28 days, then it is deemed that the Council approve the plan.

CONTEXT

Kirkham Pool (the 'Facility') dates from 1914 with a large-scale refurbishment taking place in 1979. The car park is shared with Kirkham Bowling club which is situated at the back of the car park behind the building. There is a pool house attached to the building which forms part of the Facility, and which was rented via YMCA social housing team. It is currently vacant. As well as public swimming, the Facility when operational provided both wet and dry activities to communities and local schools, with circa 15 schools using it for their swimming lessons.

YMCA Fylde Coast began to operate the Facility in 2009 under an Agreement with Fylde Council. At that time the estimated operational life of the Facility was approximately 10 years. The Agreement provided for a lease of the Facility to YMCA, followed by the transfer of the freehold. The freehold was transferred to YMCA in accordance with the Agreement in 2011. The Agreement also provides for the council to pay an annual subsidy to YMCA to deliver leisure provision from the Facility. Budget provision for this was £50,337 for 2023/24.

YMCA lodged a closure event in June 2023. The closure event was triggered because the Net Cumulative Deficit exceeded 50% of the asset value and supported by a detailed paper submitted by YMCA to the Council on 26th June 2023. The Council confirmed that there were no grounds for dispute on 26th June and the formal announcement took place on 10th August. This report does not seek to re-state the detail contained within the Closure Event paper.

As per the Agreement, YMCA is now obliged to submit a Disposal Plan to Fylde Borough Council. The Disposal Plan requirement is referenced in Schedule 6, 'Effect of Closure Event', clause 5, 'Asset Destination'. The Agreement is included as Appendix A.

YMCA Fylde Coast

YMCA Fylde Coast is a registered Charity whose vision is to create communities where all young people can thrive. We do this by creating networks and relationships so that they can be healthy in mind, body, and spirit. Our charitable operations cover leisure provision - both via our own assets and through management agreements, supported, affordable and social housing provision, outdoor education and youth and community work.

YMCA has extensive experience as an operator within our core work areas of leisure, housing, outdoor education, youth, and community. We aim to make our service provision as accessible as possible whilst understanding that we need to operate in a financially viable way. The majority of our income is revenue generated income, with a relatively small amount coming from fundraising activity or trust and grants.

We are governed by a Board of Trustees and regulated by the Charity Commission. All owned buildings are considered charitable assets and Charity commission guidance informs how those buildings should be treated if they are to leave YMCA Fylde Coast's portfolio.

Current Losses: From the lease commencement date up to financial year 20/21 and when subsidy support from the Council has been accounted for, YMCA Kirkham incurred no losses as a result of operation of the facility.

However, financial losses have been recorded since the closure in December 2021. As of January 2024, these losses amount to £92,721.

Losses will be offset by the insurance award, with costs continuing to be monitored via our management account reports. It is expected that disposal options will be concluded before losses exceed the insurance award. If this is not the case, then the deficit will be netted to zero using the monies received via a sale, in accordance with clause 5.2.7.1 of the Agreement.

PROPOSED METHOD OF DISPOSAL

A: YMCA acknowledges the wish of the Council to see that swimming provision is available to the communities of rural Fylde as envisaged by clause 5.2.7.3 of the agreement and that any realistic possibility of using the Facility for this purpose should be explored.

B: The proposed method of disposal allows a period for community or voluntary groups to express an interest in acquiring the Facility and gives the Council (acting reasonably) the ability to determine whether the Facility should be disposed of to such a group.

1. Definitions:

a) "Business Plan" means a business plan which:

(i) has been received by the Council between 25 May 2024 and 2 August 2024 (inclusive);

(ii) has been prepared by or on behalf of a Voluntary or Community Body which has submitted a Community Eol;

(iii) nominates a Community Interest Group to receive a Community Disposal of the Facility (whether by reference to a Community Interest Group then in existence or which intended to be established for the purpose)

(iv) includes projected income and expenditure in relation to the Facility over at least five years.

b) "Community Disposal" means a Relevant Disposal pursuant to a Community Eol and a Business Plan submitted in accordance with these provisions.

c) "Community Eol" means a written notification by a Voluntary or Community Body that it is interested in operating the Facility as a public swimming pool and which is received by the Council between 12 April 2024 and 24 May 2024 (inclusive).

d) "Community Interest Group" means a parish council or a body which is (or would at the time of the Relevant Disposal be) a Community Interest Group in relation to the land comprising the Facility within the meaning of regulation 12(b) of the Assets of Community Value (England) Regulations 2012.

e) "Relevant Disposal" has the meaning set out in section 96 of the Localism Act 2011.

f) "Voluntary or Community Body" has the meaning set out in regulation 5 of the Assets of Community Value (England) Regulations 2012

2. YMCA shall not enter into a Relevant Disposal of the Facility other than a Community Disposal or a disposal to the Council before the date set out in paragraph 3.

3. The date referred to in paragraph 2 above is:

a. 5 July 2024, if the Council has not received a Community Eol;

b. 14 September 2024, if no Community Eol received by the Council has been supplemented by a Business Plan which has been approved in writing by the Council;

c. If the Council notifies YMCA in writing that it does not intend to take forward any Community Eol and does not intend to acquire the Facility itself, the date YMCA receives that notification;

d. 18 October 2024 in any other case.

4. The Council will act reasonably in making any decision, exercising any discretion or forming any opinion for the purposes of this part of the disposal plan and will in particular have regard to the interests, objectives and obligations of YMCA as a charity.

ANTICIPATED PROCEEDS OF DISPOSAL

If the premises are disposed of to a charity, community group or local authority as set out in above, the anticipated proceeds of disposal will be nil.

A valuation of the premises carried out by Lancashire County Council on 23rd July 2023 returned a value of £300,000 if sold on the open market. Once legal and agency fees are accounted for it is anticipated that the net proceeds would amount to circa £270,000, although this is purely an estimate at this stage.



**Kirkham Asset
Transfer Agreement.**