

BROCKWELL LIDO USERS EGM

Sunday 22nd March, 6pm Station Hall, Herne Hill

Presenters

Ben Longman, BLU Chair
Marc Meryon, BLSC Chair

Guests

Helen Hayes MP
Cllr Donatus Anyanwu
Cllr Deepak Sardiwal
Cllr Marianna Masters
Cllr Adrian Garden
Clr Paul Valentine
Caroline Burghard, Whippersnappers

Agenda

1. Chair's welcome
2. What's been happening?
3. BLU news and next steps
4. Guest speakers
5. Questions from audience
6. What can you do?

1. Chair's welcome

Ben Longman opened the meeting noting that BLU represents all Lido users: swimmers, gym, spa and classes.

BLU now has around 800 members and he asked the new Committee to show their hands.

He noted that the meeting was being held by the existing BLU, and not the charity which has been set up.

He thanked the guests Helen Hayes MP, the local councillors and all the people that were in the room or joining via the Zoom link. He apologized for the lack of access with the room only being accessible by stairs.

Points of order:

1. Fire escapes
2. Toilets
3. Questions have an allocated slot
5. The meeting was not to debate the current state of the Lido – we all know that it needs an overhaul – but instead to explain what's been happening, what BLU has been doing and potential next steps.

2. What's been happening?

Marc Meryon read out the following:

“Ever since we were alerted to the seriousness of Fusion’s financial challenges last spring we have been working hard to ensure that pressure was maintained to find a solution and that the long-term future of the Lido was secured.

We changed the quarterly review meetings with Fusion to monthly meetings, and we repeatedly raised concerns about the state of the Lido. Our newsletter last summer about the poor state of the Lido generated significant debate in the local community and across London, generating extensive media reporting.

Note however that under the current arrangements BLU only has a voice; we have no veto over how the Lido is run and we can’t force Fusion or Lambeth to do anything.

This process has not only been time consuming, but it has also been stressful. On more than one occasion I have personally been threatened with legal proceedings for raising concerns about the state of the Lido.

I was pleased therefore that Mark Rogers of Fusion accepted our suggestion that he be candid about the precarious state of Fusion’s finances at the November AGM.

Fusion have a £13m loan which they can’t repay. As a result, all the profits generated by the Lido have been used to pay interest on this loan, with very little being reinvested back into the Lido.

Note in this context that Fusion pays Lambeth no rent. Their lease has another five years to run, until 2031, unless Lambeth has grounds for early termination.

Lambeth have been very cautious about terminating the lease early because the lease is badly drafted and if Lambeth terminates early without good grounds, they risk hefty damages claim from Fusion.

My understanding is that Lambeth have now conducted a survey of the Lido facilities, so they will know the extent of any dilapidations which need to be fixed.

My understanding also is that Lambeth now has a contingency plan to step in and take control of the Lido, should Fusion fail, and I am grateful to Helen Hayes MP for her help in encouraging that plan to be developed.

So, I want to thank Lambeth for taking steps to prepare for this situation.

Despite their best efforts it seems that Fusion have not yet found a solution to their predicament

They are now well over 400 days overdue filing their accounts. That situation cannot continue indefinitely

At the AGM Mark Rogers said that if Fusion couldn’t sort out the loan, then they would go into administration

Administration happens when a company cannot pay its debts and it applies to the court for protection from its creditors.

The court will only agree to this measure if putting the company into administration might help rescue the company as a going concern, or it would achieve a better result for the company's creditors than going into liquidation.

If Fusion goes into administration, then a court appointed accountant will take over its business. Fusion would then continue to trade normally, pending decisions being made about its future.

So, if Fusion goes into administration the Lido users will hopefully be able to continue using the Lido as normal.

The administrator will then try to sell the remainder of the lease to another operator, or to negotiate the return of the Lido to Lambeth. In those circumstances all the staff will transfer across to the new operator/Lambeth on their existing terms and conditions.

Note however that because the administration order gives protection from creditors, Lambeth may not be able to terminate the lease even if they have grounds for early termination.

There is an alternative to administration, which is liquidation, but my understanding is that the risk of this happening is currently low. If it did happen then Fusion would cease to trade and Lambeth would need to step in urgently to keep the Lido open.

We have been working hard with Lambeth and other stakeholders to try to prevent that happening, because if the Lido closes it would have to meet more stringent safety tests before it can be re-opened. That may require substantial investment, meaning a risk of the Lido remaining closed for some time.

So above all else, we need to ensure that the Lido remains open.

However, there are three complicating factors in this situation.

First, it is obvious that the Lido badly needs investment, and the amount needed could be very substantial

Second, there is only five years left to run on the lease, and no operator will take on the existing Lido lease with significant repairing liabilities

Third, Lambeth are struggling to meet the basic needs of the community for housing and welfare – they do not have funds available to invest in the Lido. Much as I love the Lido, I struggle to argue that Lambeth should prioritise Lido users over the homeless.

But for the reasons I am about to explain, I believe that is a false choice.

Possible Options

There are several possible options for the Lido's future, and I know that these are already being debated on social media.

To have a constructive debate today I would like to focus on three options.

First, the default option is that the Lido reverts to Active Lambeth. However, Lambeth don't have any money to invest in the Lido, and it badly needs investment.

Further, it will be harder for BLU's new charity to fundraise if the Lido is run by Active Lambeth, as people may be reluctant to contribute to a facility which is operated by their local council and which generates a profit.

And I recall also that when this option was put to a previous BLU AGM hardly anyone present favoured the Lido being returned to Lambeth.

Second, it is run by a new operator, presumably on a new long lease. That risks repeating the recent experience with Fusion of money being sucked out of the Lido to cross subsidise the operator's other sites.

And there may be issues with accountability and ensuring that a maintenance programme was followed.

And as we have seen with Fusion, simply having a voice isn't enough to prevent lasting damage being done to the Lido.

Third, it is run on a community led basis, in which relevant stakeholders and users have a say in how the Lido is run. This could be done under either the first or second options above.

As mentioned above, the Lido needs substantial investment. We don't think its right to ask Lambeth to divert resources from housing and welfare to the Lido.

So, we want to explore a range of options on how a community led solution can benefit all parties.

For example, we could use BLU's new charity, which is a separate legal entity, to take a lease of the Lido and then contract out the operation of the Lido to a specialist operator.

That would guarantee community involvement in the running of the Lido; it helps to ensure the Lido is properly run, with an agreed maintenance programme; it would enable us to fundraise more effectively, as all funds raised would be directly spent on the Lido, and not used to cross subsidise Lambeth or an operator's other activities; and the arrangement would be designed to give a return to Lambeth, which would not then have to fund any repairs.

As Ben will explain, we have already had interest from a specialist operator in working in partnership with us and Lambeth to operate the Lido for the benefit of us all."

3. BLU News and next Steps

Ben stressed we have a once-in-a-generation situation to have a say in how the Lido is run and where the profits go.

The Lido is an anchor of the community and it needs to have the community at the heart. BLU has learnt that the Lido needs investment, and it needs community involvement and can't just be a leisure centre.

Ben confirmed BLU has set up a charity that provides a level of governance that is transparent.

The Lido hasn't had investment for at least a decade which is obvious. He added that it would be a difficult conversation to ask Lambeth for money for leisure which would involve diverting funds from other stakeholders and that a community-level approach was needed.

BLU has submitted an Asset of Community Value application and launched a new website built around protecting the Lido. The message is that we shouldn't take the Lido for granted.

Ben confirmed discussions with institutional funders and added that BLU have received a credible partnership offer from a credible organisation saying that if BLU take on the lease, they can run it on behalf of BLU. He added that BLU were not looking to run the Lido themselves.

He went on to say that there were great local models including Herne Hill Velodrome who took a local asset and turned it into an amazing facility welcoming children and the local community.

Ben asked the audience if they wanted the Lido to be run with heart, or whether they wanted just another leisure centre? He added that BLU wanted the profits to go back into the community and make sure that money stayed in the area. He commented that it shouldn't be available to just people who can afford it or have the booking app.

4. Guest speakers

Caroline Burgard from Whippersnappers introduced herself as "Vintage Lido". She started in 1994 when Paddy and Casey asked for people to run workshops, adding that their heyday was in the 90s when the site was a community.

She noted improvements under Fusion who came in and built the gym and the extension that fitted into the architecture.

She added that Whippersnappers provides SEND provision and many who have attended have returned to work there.

She concluded suggesting everyone worked together.

Helen Hayes MP opened her comments with a reference to the packed room noting that people care about the Lido. She said it was 30 years since her first swim and that the Lido had meant so much more to her and her family than just swimming.

She explained that there was a complicated story that led to Fusion running the Lido and that she worked with Fusion to get Lottery funding for the front of the building.

She commented on the current situation in that under Fusion the Lido had descended into a state of crisis over poor financial management and that Fusion had taken on too many sites across the country.

She stressed that under no circumstances must the Lido close its doors as that would lead to further problems.

She noted that in the short term we needed to navigate Fusions' future and longer term needed to secure the best future including the investment required and the role of the community.

She added that she sees the conditions at the Lido and sees BLU saying how people are being short changed.

Helen concluded saying that this is about getting through the crisis, and then delivering the best possible version of the Lido and that BLU needed to be part of that discussion.

Cllr Donatus Anywanyu then rose to address the room saying that he had been involved in regular meetings with local councillors and officers who have the sign-off for the money. He noted that there were some things he couldn't say for legal and commercial reasons.

He added that their officers have been working with other local authorities. They have been working diligently to ensure there is no break of use. He said the team was absolutely ready and there would be no stop of usage.

He also said they would protect Whippersnappers and other community activities that happen at the Lido. He further went on to say that they were aware of what was going on, they were prepared to step in straight away. And whatever happened after that, then Lambeth would have to make a decision.

Marc asked Cllr Anywanyu if Lambeth would be willing to entertain a community solution of some sort.

He responded that the Council has their own policies and as a democratically elected institution would make decisions.

Cllr Deepak Sardiwal took the floor. He congratulated BLU on their charitable status. He said he recognised the value of this precious resource and wanted the Lido not just to survive but to thrive.

He noted that Time Out recognised Brockwell Lido as the best place in London for an outdoor dip out of 164 pools.

He supported Brockwell Lido being designated as an asset of Community value. He added that he had been engaged with site visits from Fusion, supported Lido use without prior bookings, and pushed to get the front door and gym equipment fixed.

He added that Fusion had not been the easiest of partners to work with. He said they had made false promises with regards to investment and the cleanliness of the facility.

He gave an assurance that the council could step in, should Fusion fold tomorrow. He gave his commitment to staying involved and backing the community.

Cllr Paul Valentine added his support to Brockwell Lido being designated as an Asset of Community Value. He said it had been invaluable speaking to BLU and its members when he was first elected last May. He added he was here to listen as the Lido has such a role in our community.

5. Questions from audience

Q: Can we have more information on the institutional funders?

A: Ben: Around 10 or 12 grant funding organisations. There are seed funders, as well as the National Lottery who require a semi-professional approach. He noted that BLU had brought on board a professional fundraiser. He added that even though the current Lambeth survey indicated the Lido could run as normal, BLU thinks it needs millions of pounds of investment.

Marc added that he had spoken with a bank who may be able to offer short-term funding, as well as long-term investment. It was a no-brainer as Brockwell Lido has a strong support base and generates a surplus. He said the bank would be willing to crunch the numbers and provide substantial funding.

Q: How would Charity governance and membership work?

A: Marc explained the group had settled on a Charitable Incorporated Organisation with an association model where the public who use the Lido could be members.

He noted that this meeting was being run by BLU, not the Charity.

Referencing the Charity, he added there was a huge interest in the community, that there was a lot to think about regarding members, governance and policy and that progress was being made as quickly as possible.

Q: Could the remaining lease be surrendered?

A: Lambeth had been looking at this and could take action, but not sure if this was wise.

Q: Could Lambeth provide more detail on their contingency plan. Would Active Lambeth step in? Was this short term or long term and if long term would there be any investment?

A: Cllr Anywanyu noted that Lambeth had to be careful when they stepped in, but if necessary Brockwell Lido would come into Active Lambeth. He added it would be premature to state this would be on a long-term basis.

Q: As Brockwell Lido has been making money would the Council take it back and run it?

A: Cllr Anywanyu responded that he wasn't prepared to use public money for this.

Q: In a new arrangement could more power be given to the users than before (noting that there was currently a crisis with the leaseholder being £13m in debt and the freeholder with substantially more debt)?

A: Agreement that the Community needed to work together

Q: Concern raised over Lambeth running Brockwell Lido and not ring fencing the profits.

A: Cllr Anywanyu noted that the council has its own processes, but that he personally was committed to working with the Community.

Cllr Deepak thanked BLU for highlighting the central administrative costs that Fusion was putting in their accounts. He added that there was a process in place to rebuild council finances. He also said that Lambeth Council had invested in the centres it had taken over. He added that if the Council steps

in, Brockwell Lido should retain its community feel and must be useable by all the community. He concluded saying he wanted to work with BLU.

Q: Will the staff be kept on?

A: Marc responded yes that the law governs this.

Cllr Sardiwal added that when Lambeth had clarity on the situation with Fusion, they were ready to talk to the staff.

Q: How much input will the community have in the model that BLU is proposing?

A: Marc responded that the purpose of a CIO association model is for people who are members to have a voice. He added that a survey would be issued in the next few weeks.

Q: How can we ensure that decisions are enforceable and enshrined (noting that the community saved the Lido from closure 22 years ago, that the community was represented under the Steering Group, but that after 8 years when Fusion moved from investment to extraction, the Steering Group didn't have enough teeth)?

A: This why BLU are campaigning for a Community Led approach

Q: What investment is needed?

A: Ben replied that BLU don't know and asked Lambeth Council to comment. He added that BLU were concerned about the leaks, the paving stones, the decking, the gym equipment, and the plant as it is old and the damp in the changing rooms. He added that BLU were concerned about things they didn't know about and hadn't seen a comprehensive survey, despite pushing for it.

Cllr Anywanyu noted that they had a surveyor who did an audit last week. Officers had done an analysis to be certain what is required. If the report is legally allowed to be made public then they would share it.

Q: What will the membership costs be?

A: Ben responded that having seen Fusions' finances, profits from Brockwell Lido were propping up other centres. Fundamentally Brockwell Lido was profitable. It looked like around £1 million was leaving the site and going elsewhere so there is no reason that the pricing needed to change.

Q: Will the upcoming local elections impact the ability of the council to make decisions on Brockwell Lido?

A: Helen Hayes MP responded that candidates are separate from officers and during the pre-election internal processes can continue.

Commenting further Helen said that there were people in the room whose history goes back a long period of time. She said that we get better outcomes when collaborating with the community, examples include Herne Hill Velodrome, Crystal Palace Park, Carnegie Library and Ruskin Park.

She added that the Lido is complicated with the current lease issue, and the health and safety considerations, plus the jigsaw puzzle of the funding. She asked Lambeth to work with the community firstly navigating the short term, and then on a longer sustainable solution.

Q: Does the audience want a community led solution and can other groups be involved?

A: Ben replied yes, as covered earlier in the meeting.

6. Next steps and concluding comments

Ben concluded with the following points:

- Join BLU
- Email councillors
- Attend the Hustings on the 22nd of April

He thanked the guest speakers, and the audience for attending. He stressed all help was welcome.

The meeting closed at 7:30pm