

Cabinet Member Decision Note

Covid-19 Response - Supplier Relief payment for Leisure Operator

To: Deputy Leader and Cabinet Member for Commercialisation, Education and Skills

Date: 13th April 2021

Author:	Head of Property Assets
Wards:	Old Town, Central, Covingham, Shaw, Haydon Wick
Parishes Affected:	Central Swindon South, Covingham, West Swindon, Haydon Wick

1. Purpose and Reasons

- 1.1 This report seeks the approval of the Cabinet Member to provide financial support to Greenwich Leisure Limited (GLL), which operates the Council's public leisure facilities. GLL, like many leisure providers across the country, faces financial challenges due to Covid-19 and this report addresses the Council's proposed response to help GLL meet the challenge.
- 1.2 The operation of public leisure facilities by GLL supports the Swindon Borough Council Priority 3 – 'Ensure clean and safe streets and improve our public spaces and local culture', and the delivery of Pledge 16 - 'Deliver a Programme of Work to ensure that residents, visitors and businesses feel that Swindon's Town Centre is a safe place to live, work, visit and do business'.

2. Recommended Action to be authorised by a Cabinet Member under Delegated Powers

It is recommended that:

- 2.1 The Corporate Director of Finance and Assets be authorised to award an additional grant payment of £79,736 to GLL to cover the period between 1st July 2020 to 30th September 2020 to support the company with its operating costs for the six leisure centres its leases from the Council reflecting the loss of income it is experiencing due to Covid 19. These costs mainly relate to non furloughed staff and ongoing charges relating to utilities for the leisure centres.

3. Detail

- 3.1 GLL operates the following six Council owned leisure centres by way of peppercorn leases:-
 - 3.1.1 Croft
 - 3.1.2 Delta Tennis
 - 3.1.3 Dorcan

Further information on the subject of this report can be obtained from Rob Richards, Direct Dial 07740 037316, rrichards@swindon.gov.uk.

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- 3.1.4 Haydon Centre
- 3.1.5 Health Hydro
- 3.1.6 Link Centre
- 3.2 The leisure sector has been significantly affected by the lockdowns required from March 2020 due to the pandemic. Leisure centres have had to close for many months and this has resulted in a significant loss of income to leisure operators.
- 3.3 Officers from property assets, finance and procurement have been working with GLL to assess the impact of the closure of the six leisure centres GLL operates on behalf of the Council. GLL has advised it is experiencing significant business losses and is seeking additional support from all of its local authority partners to enable it to continue to operate. The Local Government Association produced a Guidance Note on options for councils in supporting leisure providers through COVID-19, see Appendix One. This explains why leisure centre operators are not able to benefit from other forms of Government relief. Leisure providers are currently falling between the cracks of most support packages. Leisure trusts, such as GLL, are most at risk because they are charities, societies or community interest companies (with a public benefit asset lock) and as such do not distribute profits.
- 3.4 The Guidance Note suggests adopting the recommendations and approach recommended in PPN 02/20 which relate to supplier relief. The summary in the Guidance Note states: 'The health and wellbeing of the nation is at the forefront of all our minds and it is clear the services delivered by leisure providers play a vital role in this both now and in the future. We would encourage councils to consider the long-term implications of these unprecedented times on the culture and leisure sector as a whole and consider how we can best stand together to ensure the resilience of these facilities for our residents.'
- 3.5 To date, additional support of £200k has been provided to GLL based on the losses it has experienced for the period between 1st April 2020 to 30th June 2020 reflecting the significant losses they experienced due to the first lockdown. Further grant support of £79,736 for the period between 1st July 2020 to 30th September 2020 is now recommended to be paid on the same basis as the support that has been provided for the period between 1st April 2020 to 30th June 2020.

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- 3.6 GLL has experienced ongoing losses due to the continuing impact of the pandemic for the period from 1st October 2020, and the Council would also consider any support GLL may be able to evidence from this period. However, this support would only be for 2 months, up to 30th November 2020. This is because Government announced in December 2020 that it is introducing a National Leisure Recovery Fund (NLRF). The purpose of this fund is to make available funding to local authorities for them to use to help any direct leisure provider they have to re-open facilities once lockdown restrictions have been eased (As GLL operates the Oasis on behalf of Seven Capital, the Oasis was excluded from being eligible for this funding).
- 3.7 The Council has applied for funding and is awaiting the outcome of its application, which is anticipated by the end of March 2021. The fund was originally intended to help meet the cost of providers operating centres from 1st December 2020 to 31st March 2021 reflecting the reduction in patronage due to the pandemic. However, this has been adjusted reflecting the introduction of the third lockdown since the NLRF was announced. A proportion of the NLRF funding awarded can be used during this latest lock down period to meet the costs of the local authority's leisure provider for utilities, staff costs not furloughed, essential asset maintenance and security. The NLRF will therefore ease any funding request to the Council from GLL for support from 1st December 2020.

4. Alternative Options

- 4.1 If the grant payment is not made, it could have an impact on the sustainability of the Borough's leisure facilities across the borough following the end of the lockdown period and in to the recovery period.

5. Consultation

- 5.1 The following Opposition Spokespersons / Ward Members have been consulted on the recommendations of the report and their responses are also summarised below:

Cllr Small, Opposition Spokesperson for Finance responded he "supports the recommendations in the decision note".

Cllr Ali, Opposition Spokesperson for Town Centre and Economic Development responded "yes I support this."

Cllr Donachie No response

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6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1 The grant payment is one of the Council's Covid-related pressures for 2020/21. The Council has received £16.7m additional Government funding to meet those pressures.

Legal and Human Rights Implications

- 6.2 Legal and human rights considerations have been taken into account in preparing this report and it is considered that the proposals within this report are compatible with Convention Rights.

- 6.3 A grant agreement will be provided to support the payment. This payment is not expected to breach state aid limits.

- 6.4 The Chief Legal Officer will prepare and complete all legal documentation in order to protect the Council's interests.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.5 It is not anticipated that the recommendations in this report would have any significant impact on staff, health, rural issues or crime and disorder.

Diversity Impact Assessment

- 6.6 A DIA has not been prepared as the contents of this Cabinet Member Decision Note do not involve the delivery of Council services.

Risk Management

- 6.7 There is a risk that the payment to GLL in isolation to the other centres they operate, approaching 400 nationally with a concentration in London and the South East, will not be sufficient to avoid the business failing. Assurance has been sought from GLL that it has secured similar support from other partners so it can continue to operate. Government financial support for leisure trust operators via the £100m NLRP is being sought to further ensure an ongoing sustainable leisure offer, which covers the period 1st December 2020 to 31st March, 2021.

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7. Consultees

- 7.1 The Corporate Director of Finance (Section 151 Officer) and the Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

8. Background Papers

- 8.1 None.

9. Appendices

- 9.1 Appendix One - LGA Options for Councils in supporting leisure providers through COVID-19

10. Declarations of Interest

- 10.1 (Include in Report sent for Consultation ONLY): Opposition spokespersons / Ward Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Committee and Member Services Manager), and they should take no part in the consideration of the Briefing Note and should refer the Briefing Note to their Group Leader.
- 10.2 (Include in Final Report ONLY): Cabinet Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Committee and Member Services Manager), and they should take no part in the consideration of the Decision Note and should refer the Decision Note to the Leader of the Council instead for consideration.

11. Sign-off

- 11.1 The Cabinet Member is requested to respond with 5 days of the date of this report (by 18th April 2021).
- 11.2 Decisions of Cabinet Members will be published in the Members' Bulletin. The Decision must not be implemented until such time that a five-day "Call-in" period has expired. This date will be specified in the Members Bulletin. If a Decision is "called-in" it will be referred to the Scrutiny Committee for consideration. It must only be implemented if the Scrutiny Committee has raised no objection. If an objection is forthcoming the matter will be referred back to the Decision-Maker.

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11.3 The Cabinet Member is requested to indicate one of the following responses to the Recommendations set out in Section 2 of this report:

[to be signed electronically and redacted]