

BROMSGROVE DISTRICT COUNCIL

RECORD OF DECISION TAKEN UNDER URGENCY PROCEDURES

Subject: COVID IMPACT – SUBSIDY TO LEISURE PROVIDER SLM (EVERYONE ACTIVE)

Brief Statement of Subject Matter:

Following the reopening of the Bromsgrove Sports and Leisure Centre on 25th July there is a requirement for the Council to provide interim funding whilst the company is having to limit footfall and increase cleansing to ensure compliance with covid restrictions.

Decision: To release £63k from balances to support the continued operation of Bromsgrove Sports and Leisure Centre during the initial period of opening following the Covid Pandemic forced closure.

Date:

RESOLVED: That £63k is released from the Covid funding received from Central Government to enable the subsidy to be made to SLM to ensure services are maintained and the facilities can be opened.

Grounds for Urgency:

As members are aware the Council agreed to make additional contractual payment of £230k to SLM to reflect the costs associated with the forced closure period from April 2020 – 25th July 2020 and to ensure services could continue once the lockdown was lifted. This payment was in line with the liabilities to the Council as a result in the Change in Law.

Lengthy discussions and negotiations have taken place over the last 2 months to enable a position that is acceptable to the Council and SLM for the subsidy level to cover the opening period. The funding from August onwards will be provided under an Interim variation to the Leisure Services Contract and is subject to an open book arrangement to enable officers of the Council to validate the accounts of SLM and agree any difference. This will be actioned on a monthly basis.

The Council should be aware and may be reassured that the Leisure Operating Contract requires the operator to mitigate its losses and provide evidence of this and the requirements are fairly stringent. They may also be reassured to know that the Council is not alone in its approach and is in line with the approach that other Councils are taking and in accordance with the recommendations in the latest Procurement Notice from Central Government. Officers have worked through and reviewed the figures presented by SLM to ensure mitigation is being undertaken.

A report will be presented to Cabinet and Council in November when a clearer position is understood and the initial open book accounting has been undertaken to enable Members to consider the full cost pressure to date.

It is worth noting that whilst the Council has received over £1m from Central Government for Covid related expenses there has not been an identified amount allocated in relation to Leisure provision. It is expected that funding will be received as all Councils and Leisure providers in the County have been expressing their concerns to Government on this issue.

DECISION APPROVED BY:

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Chief Executive

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Dated

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Section 151 Officer

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Dated

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Monitoring Officer

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Dated

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Leader

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Dated

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Chairman, Overview & Scrutiny Board

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Dated

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Chairman

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Dated