

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:

The Bromsgrove Sports and Leisure Centre has had to close its doors once more for the November lockdown period, it is hopeful that doors will re-open early December.

As BSLC is statutorily required to close for the period of Lockdown 2.0 the terms of the operating contract require the Council to reimburse the operator's expenses.

Decision: To release £55k from balances to meet the operator's expenses in respect of Bromsgrove Sports and Leisure Centre for the period November 2020

Date: 27th November 2020

RESOLVED: That £55k is released from the Covid funding received from Central Government to enable SLM's expenses in respect of BSLC to be met for the period relating to the November lockdown.

Grounds for Urgency:

As members are aware the Council is contractually obliged to make payments to the operator to cover expenses resulting from a Change in Law. A similar contractual payment of £230k was previously agreed to reflect the costs associated with the forced closure period from April 2020 – 25th July 2020.

Members have since agreed payments to SLM for August, September and October to ensure that the BSLC was able to open and operate in line with Covid-19 restrictions.

Lengthy discussions and negotiations have taken place over the last 4/5 months to enable a position that is acceptable to the Council and SLM for the opening period. The open book arrangements were only agreed up to October 2020 and Lockdown 2.0 overrode negotiations in respect of future periods.

It would seem likely that further payments will be required to allow BSLC to re-open at the end of Lockdown 2.0. Negotiations with SLM on this are not being progressed until there is clarity as to the timing and guidance around re-opening. It is suggested that any future arrangement be agreed on a month by month basis due to the volatility and uncertainty as to the constraints within which the BSLC may have to operate.

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.

