

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:

On the 4th January 2021 the country went into another lockdown and Bromsgrove Sports and Leisure Centre had to close its doors once again. We are hopeful that the facility can re-open on 12th April 2021 under similar restrictions to those in December 2020.

Continuing from the support the Council gave during 2020, we now need to agree additional support to cover the rest of the financial year, January 2021 through to March 2021

Decision: To release £105k from balances to support the continued operation of Bromsgrove Sports and Leisure Centre during January to March 2021 following the forced closure in January 2021. The source of this funding in balances is the Covid-19 grant funding received from the Government to manage the impact of the pandemic on local services. (Further detail for December to March payments, including the 30% agreed National Leisure Recovery Fund £150,000 and the additional one-off payment of £10,299 is highlighted in the table below.)

	Actuals		Forecast	
	Dec	Jan	Feb	March
Expenditure	11,410	51,557	51,548	45,499
Total Expenditure	160,014			
Grant income received	55,299			

Projected deficit	104,715
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Date: March 2021

RESOLVED: That £105k is released from the Covid funding in balances, received from Central Government, to enable the subsidy to be made to SLM to ensure services are maintained to the end of March 2021.

Grounds for Urgency:

As members are aware the Council agreed to make payments to SLM to reflect the costs associated with the forced closure period from April 2020 – 25th July 2020 and further payments through to December 2020, to ensure services could continue during periods of opening when the lockdown was lifted. SLM had a contractual entitlement to payments during periods of forced closure which arose as a result of a Change in Law.

Lengthy discussions and negotiations have taken place over the last 11 months to enable a position that is acceptable to the Council and SLM. During any period of opening the payments provided by the Council are on an open book basis with no profit accruing to SLM. The funding from January to March 2021 has been triggered by a Change in Law under the Leisure Operating Contract and, as during the other periods of forced closure, will be provided under an Interim Side Agreement. The funding 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. Officers have worked through and reviewed the figures presented by SLM to ensure mitigation is being undertaken.

It is worth noting that whilst the Council has received over £1m from Central Government for Covid related expenses, they have also been granted a National Leisure Recovery Fund. This has been allocated by HM Government through Sport England and will not only help support the costs of during the December to March period but also support the reopening and recovery from 12th April.

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