

**COUNCIL
21 JANUARY 2021**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: COVID-19 LEISURE CONTRACTS RECOVERY

REPORT OF THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER ENVIRONMENT & LEISURE: COUNCILLOR STEVE JARVIS

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT

1. EXECUTIVE SUMMARY

- 1.1 The Covid-19 Leisure Contracts Recovery report was referred to full Council on 24 September 2020 from Cabinet on 21 July 2020. Council RESOLVED;

To provide financial support to Stevenage Leisure Limited (SLL) on an Open Book basis from 20 March 2020 up to at least 31 March 2021. The support provided would only cover losses relating to the Council's contracts, and will not cover central overheads. SLL would be required to take all reasonable actions to minimise the value of any losses. The actual value of the support required will depend on SLLs income recovery but will be capped at a maximum of £1.8m.

- 1.2 Covid-19 case numbers were rising rapidly across the whole of the UK and in other countries. As a result, the Government instigated new national restrictions from 5 November 2020 until 2 December 2020, which included the closure of leisure facilities.
- 1.3. Since the report was considered by Cabinet, Hertfordshire was first placed into Tier 4 restrictions on the 20 December 2020. This required the closure of Leisure Centres. Then the whole of England was placed under Tier 5 (lock-down) restrictions on 5 January 2021. This lock-down has been announced as lasting until at least mid-February. It is also now very likely that the recovery to previous income levels will stretch into 2021/22 and potentially beyond. The Part 2 referral report from Cabinet has been re-written to provide an updated forecast summary reflecting the impact on 2020/21 and 2021/22.

2. RECOMMENDATIONS

Recommendation to Full Council: -

- 2.1. That the Council supports the continued delivery of leisure facilities in the District to support the health and wellbeing of our residents.
- 2.2. Recommendation to approve the recommendation in Part 2.

3. REASONS FOR RECOMMENDATIONS

3.1. See Part 2 Report.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. As Part 2 Report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. Consultation was undertaken with our Executive Member Environment and Leisure, Cllr Steve Jarvis, deputy Cllr Adem Ruggiero-Cakir and Executive Member for Finance & IT, Cllr Ian Albert.

6. FORWARD PLAN

6.1. The final decision is for full Council decision and not a Key Executive decision and is not therefore referred to in the Forward Plan.

7. BACKGROUND

7.1. At full Council on 24 September 2020 it was discussed and agreed to provide financial support to SLL. The following minute details the resolution;

RESOLVED: To provide financial support to Stevenage Leisure Limited (SLL) on an Open Book basis from 20 March 2020 up to at least 31 March 2021. The support provided would only cover losses relating to the Council's contracts, and will not cover central overheads. SLL would be required to take all reasonable actions to minimise the value of any losses. The actual value of the support required will depend on SLLs income recovery but will be capped at a maximum of £1.8m.

REASON FOR DECISION: To seek approval for the SLL recovery plan and a phased approach toward recovery allowing flexibility through delegation, to ensure business continuity for the leisure contracts and for them to survive beyond the Covid-19 pandemic.

7.2. On the 25 July 2020 the leisure facilities reopened to the public in a COVID Secure environment. Usage and income levels have steadily increased with customer confidence returning. Further details are contained within Part 2 report.

7.3. In order to reduce overheads as much as possible through the second lockdown SLL have furloughed most of the operational staff across all of their contracts, leaving minimal employees to manage the North Hertfordshire District Council Contracts, ensuring the buildings are being operated in accordance with statutory regulations. In addition, SLL will look to reduce utility costs by cooling the pool and air temperature over the closure period.

7.4. Otherwise as per the Part 2 report.

8. RELEVANT CONSIDERATIONS

8.1. See Part 2 Report.

9. LEGAL IMPLICATIONS

- 9.1. The Leisure Contracts were procured via OJEU in compliance with EU Procurement Rules. Regulation 72 of The Public Contracts Regulations 2015 and Regulation 43 of the Concession Contract Regulations allows the Council to modify contracts during their terms.
- 9.2. As Part 2 Report.

10. FINANCIAL IMPLICATIONS

- 10.1. See Part 2 Report.

11. RISK IMPLICATIONS

- 11.1. As Part 2 Report.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. To continue to support the SLL facilities via the Open Book approach provides support to those potentially vulnerable staff (on low income and zero contracts). Dependent on the new way in which the facilities open, they may provide support to those vulnerable members of the community who have been shielded or isolated during this pandemic period.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this recommendation of continued support. The Facilities are currently shut and remain so for the moment. The impact on the environment has been reduced in comparison to when it was fully opened. When the facilities re-open or are closed then the environmental implications may require assessment.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. The Council has already set up a trading company for such an eventuality.
- 15.2. Otherwise, as Part 2 Report.

16. APPENDICES

- 16.1. None.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1. [CABINET: 21 JULY 2020 - COVID-19 LEISURE CONTRACTS RECOVERY REPORT](#)
- 18.2. [COUNCIL: 24 SEPTEMBER 2020 – Decision Page](#)