



STRATEGY & RESOURCES COMMITTEE MEMBER/OFFICER REPORT

NAME OF ORGANISATION/BODY	Support for the leisure contract
DATE OF LAST MEETING ATTENDED	13 January 2021

BRIEF REPORT:

Background

At S&R committee in October 2020 councillors agreed to pay the operator (SLM) 50% of their operational deficit up to the value of 150k subject to submitting monthly accounts during 2020/2021 financial year.

This was agreed subject to the operator opening the centre and providing a wide range of activities whilst adhering to **Government Covid Guidance**.

This figure was based upon the original forecast submitted by the operator after lock down 1.

At this time the operational deficit estimated to be 300k for the full financial year.

This forecast was subject to the centre being able to gradually increase capacity month by month.

Current Situation

Since the October meeting the centre has had to endure 2 further closures due to Covid restrictions.

1. Lock down 25th March – 25th July 2020
2. Lock down 2 – 5th November – 2nd December 2020
3. Lock down 3 – 31st December 2020 – ongoing

Please Note: During all periods of re-opening the centre has had to operate at a significant reduced capacity.

An initial payment of 45K was agreed to cover 50% of the operator's, operational deficit from April – October 2020(which was announced at last S&R committee).

In November 2020 the operator submitted accounts equating to circa 66K operational deficit.

This deficit equated to:

1. Staff costs (including 20k of redundancy related costs)
2. Central costs (company costs)
3. Operations costs (utility, repairs etc)
4. Loss of income

After a discussion with the Directors of Resources, Communities and Chair of CS&L it was recommended to remove the redundancy costs and pay 50% of the operational deficit circa 23K.

At the same time the council submitted a grant bid on behalf of the operator to NLRF (National Leisure Relief Fund) 100 million nationally to recover part of their operational deficit.

We are expecting to be informed of the total awarded in mid-February 2021.(Actual knowledge of sums award money will not be known)

No further payments will be made until the grant has been confirmed to ensure the council against any potential over payments.

Adjustments will be made at the end of this financial year where the council will review all payments including the NLRF and issue any of the remaining 150K if required.

Due to the extended closure of lock down 3 the leisure industry is unlikely to recover quickly in the first part of the 2021/2022 financial year as originally expected.

There is a strong possibility that further support will be required to protect the SLM contract at Stratford Park Leisure Centre. Officers will continue to work closely with SLM to keep these to a minimum.

FUTURE MEETINGS	4 February 2021, 4 March 2021, 8 April 2021
REPORT SUBMITTED BY	Angela Gillingham
DATE	01/02/2021