

Item 8 - Supporting the Recovery of Leisure in the District

The attached report was considered by the People & Places Advisory Committee 16 June 2020. The relevant Minute extract is below.

People & Places Advisory Committee (16 June 2020, Minute 57)

The Chief Officer for People & Places presented the report which outlined the impact of the Covid-19 pandemic on the leisure industry and set out a request from Sencio Community Leisure for financial assistance to mitigate financial difficulties related to Government's temporary closure of all leisure facilities due to the coronavirus outbreak.

Sencio was forced to suspend all direct debits and memberships due to lockdown closures. During closures, Sencio had followed guidance on essential maintenance on leisure facilities including the water treatment and filter cleansing of swimming pools. Leisure operators are facing particular challenges accessing Government support during the pandemic and are largely ineligible for emergency response packages.

The gym and fitness industry will have a vital role in ensuring the ongoing health and wellbeing of the district following the lifting of Covid-19 restrictions.

Sencio had commenced recovery work in line with national strategy. It is predicted it could take 8-12 months for leisure trusts to recover. Sencio's Recovery Business Plans were based on the leisure centres opening on a phased approach from 5 July 2020. A 10 month period for income to recover, starting at 30% of previous levels and achieving 80% by the end of the financial year had been projected. This was based on restrictions to their services to ensure the safety of staff and customers. Marketing campaigns would be in place to promote health and wellbeing as well as provide reassurance to customers on health and safety provision. Training for staff on new safe working procedures would be provided.

Sencio is confident that their recovery business plan will enable them to fully recover over the next 10 months, subject to Government's awaited guidance on reopening leisure centres and social distancing requirements

Sencio had asked the Council to consider the following:

- To extend the current payment holiday on Sencio's loan repayments to the Council by a further 3 months to September 2020.
- To provide a loan of up to £120,000 over the next 3 months towards essential utility costs. The loan would be interest free, but with the stipulation that it would be paid back to the Council in financial year 2021/22.

The Chief Officer for People & Places clarified that in part a) of the recommendation as set out in the report, it should read that the extension would be to 30 September 2020.

Members expressed concerns over part b) of the recommendation as set out in the report, including doubts that members of the public would return to using leisure centres due to personal financial strain. In response to queries over lack of data from Sencio and the impact on the new leisure centre in White Oak, the Chief Officer for People & Places advised that Sencio were confident in their recovery plans, which fall in line with Government guidance to the leisure industry.

Members highlighted from the report that due to lack of firm guidance on re-opening leisure centres from the Government, it would be difficult to assess the level of risk associated with loans to Sencio with high levels of accuracy, and therefore the Council should be prepared to potentially burden the costs in full. The Chief Officer for People & Places advised that Sencio's golf club reopened on 1 June 2020, with the leisure centres opening on a phased approach from 5 July 2020 in line with emerging Government guidance.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that

- a) the information provided in the report, financial implications and risk assessments on the request for an extension to the current payment holiday on Sencio's loan repayments to the Council by a further 3 months to 30 September 2020, be considered; and
- b) should Cabinet agree to part b) of the recommendation as set out in the report, the loan would be interest free with the stipulation that it would be paid back to the Council in the financial year 2021/22. If the loan is not paid within the repayment period, any outstanding balance would accrue and be charged a rate of 6% interest with effect from April 2022.

(Having declared an interest, Cllr Osborne-Jackson left the room during consideration of this item and did not take part in the debate or voting thereon.)