

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 7TH DECEMBER, 2020

REFERENCE FROM CABINET: 2ND NOVEMBER, 2020

“C365 LEISURE MANAGEMENT CONTRACT – COVID-19 IMPLICATIONS (LAC) (EXEMPT INFORMATION – PARAGRAPHS 13 AND 14) (SCRUTINY – CORPORATE PERFORMANCE AND RESOURCES) –

The Cabinet Member for Leisure, Arts and Culture presented the report, the purpose of which was to seek approval to provide continued support to the Council's Leisure Management Contractor to mitigate against the effects of COVID-19 on the Leisure Centre services.

The report sought approval to make interim payments to the Council's Leisure Management contractor whilst the service was experiencing reduced attendances and income as a result of the restrictions placed on the service due to COVID-19.

Payments were approved to the contractor during the lockdown period but with facilities reopening the costs of operating the service had actually increased as staff were released from furlough, while income would take some time to reach pre lockdown levels.

The report also sought to put measures in place as the Leisure Centres had gone into a further lockdown / closure covering the 'firebreak' period of 23 October to 8 November, 2020.

The report acknowledged that the Leisure Management contract had less than two years remaining. Action would be required at a future date in relation to this situation as the 5 year contract extension, that was agreed in principle, was no longer financially viable to the contractor given the current restrictions and uncertainty about full recovery.

The report recommended the provision of a further update report to Cabinet on this matter in January 2021 due to the uncertainty around 'lockdown' controls and the limitations on continuing the level of financial support proposed.

This was a matter for Executive decision.

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

(1) T H A T the Director of Environmental and Housing in consultation with the Head of Finance / Section 151 Officer be authorised to approve monthly payments to

the Leisure Management Contractor of no more than £75,000 subject to the Contractor providing evidence of a shortfall in their monthly income as a result of COVID-19 related economic conditions and the temporary suspension of the monthly income received from the Contractor to the Council for operating the Council's facilities.

(2) T H A T should, following the current 'firebreak', a further closure of Leisure Facilities be instructed as part of any future measures introduced by the Welsh Government the Director of Environment and Housing in consultation with the Cabinet Member for Leisure, Arts and Culture and the Leader together with the Head of Finance / Section 151 Officer, be granted delegated powers to negotiate service and financial issues with the Council's Leisure Contractor subject to the cap set above.

(3) T H A T the current situation in relation to the proposed extension of the Leisure Management Contract that was presently due to end on 31st July, 2022 be noted and that a further update report be provided to Cabinet on this matter in January 2021.

(4) T H A T the urgency procedure set out at Section 14.14 of the Council's Constitution be used in respect of Resolutions (1) – (3) above.

Reasons for decisions

(1) To allow the Leisure centre service to continue to operate in the current difficult economic conditions.

(2) To have a contingency plan available should further restrictions be applied to the operation of the Leisure Centre in the future.

(3) In view of the fact that the Leisure Management Contract has only approximately 21 months left to operate and that negotiations to extend the contract by a further 5 years are currently on hold and to ensure it is kept updated on the financial position.

(4) To ensure prompt payments to Legacy to ensure the best possibility for them to remain financially viable."