

SHEFFIELD CITY COUNCIL

Economic and Environmental Wellbeing Scrutiny and Policy Development Committee

Meeting held 8 September 2020

(NOTE: This meeting was held as a remote meeting in accordance with the provisions of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.)

PRESENT: Councillors Denise Fox (Chair), Ian Auckland (Deputy Chair), Neale Gibson, Dianne Hurst, Alan Hooper, Abdul Khayum, Bryan Lodge, Mohammed Mahroof, Barbara Masters, Ben Miskell, Moya O'Rourke, Sioned-Mair Richards, Chris Rosling-Josephs, Martin Smith and Paul Turpin

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1. APOLOGIES FOR ABSENCE

1.1 No apologies for absence were received.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 14th January 2020, were approved as a correct record and, arising therefrom, further to a query raised by Councillor Martin Smith with regard to the report on the update on the financial position of Sheffield City Trust (SCT), Lisa Firth (Director of Culture and Environment) reported that the Committee had requested the report for submission at its meeting to be held on 17th March 2020, which meeting had been cancelled due to the Covid-19 pandemic. Ms Firth confirmed that the Trust had presented this information to the Council, as well as submitting further information since then, some of which was included in the report submitted to this meeting.

5. STATEMENT BY COUNCILLOR MARY LEA

5.1 Councillor Mary Lea (Cabinet Member for Culture, Parks and Leisure) reported that there had been considerable discussion with regard to Ponds Forge Sports and Leisure Centre, following the decision of the Sheffield City Trust not to re-open the facility, the issues of which had been discussed by Members of the Cabinet, which had met and had requested officers to submit a report to the

Cabinet meeting to be held on 23rd September 2020, with regard to proposals to re-open the facility. Councillor Lea stated that she was pleased to announce that the Council would approve the transfer of £16.5 million to Sheffield City Trust, which would enable Ponds Forge to re-open. She stated that Ponds Forge was an iconic building with a long history of sporting excellence, particularly regarding watersports, but stressed, however, that it would not be possible to re-open the facility unless it was opened to all members of the public.

6. PUBLIC QUESTIONS AND PETITIONS

6.1 Members of the public raised questions as follows:-

6.2 James Biggin (Managing Director, Steel City)

6.2.1 Is this a pool about to be opened to the clubs – or is this their version of mothball?

- The pools are almost certainly good to go – right now. Completely ready to train in – for any of the clubs
- Bubble and tricklers are on (water circulation)
- Pool is at temperature (give or take)
- Lights are all fully on.
- Might need a bit of a clean!

The importance of this submission is to say; Why is our battle to re-open what looks like is open! Staff are working there due to the break ins. Pool technicians are obviously working there or spending some of their working hours there.

The clubs have been quoted £90k per month to “reopen” – does this bring into question that sum? Does this help quell any type of unease for council money going to just Elite sport? What we all agree it is not our fight to have council money just to prop up Elite sport. It is to keep clubs in business that support the community, who then bring events to the city (2021), for the city economy to stay strong from the secondary spend!

6.2.2 Councillor Mary Lea (Cabinet Member for Culture, Parks and Leisure) reported that the Council would like to discuss the proposed re-opening of the facilities with Mr Biggin. Councillor Lea stated that if the venue was to re-open, it would have to be available for use by everyone, and not just by the elite sporting clubs. There were numerous other groups who used the facilities, and it was important that everyone had the opportunity to make best use of them. Councillor Lea stressed the importance of the facilities re-opening, given their local and national importance, and stated that full details regarding the proposals would be included in a report to be submitted to the Cabinet at its meeting to be held on 23rd September 2020.

6.3 Charlie Ledger

- 6.3.1 I am a local resident, and prior to the lockdown, I regularly took my 2 year old son swimming, so I am very disappointed by the news that Ponds Forge will currently remain closed.

I learnt to swim from a young age; I competed in swimming and then trained as a lifeguard when I was a teenager. It is really important to me that my child has the opportunity to learn how to swim, and have regular access to swimming facilities to continually build his confidence and skills in the water.

When I moved to Sheffield, one of the main things that attracted me to this city was the sports facilities, especially venues such as Ponds Forge. Now, over a decade later, I have a child and I want him to have the opportunities that I moved to this city for.

I had been taking my son to the Baby Splash sessions at Ponds Forge every week (I would have loved to have gone more frequently if these sessions had been offered more than just once a week). I often took my son to the weekend and school holiday leisure swim sessions at Ponds Forge. I had also just started bringing him to some of the other term time sessions in the leisure pool such as the Shallow Water/Ladies Only sessions (when the toddler pool is closed off), because he was becoming more confident in the water and we didn't mind spending longer in the main part of the leisure pool. I had been teaching him to kick his legs, swim across the leisure pool with arm bands, and with a pool noodle instead of arm bands. Then the lockdown began!

It was an activity that we could do together, not only was it helping him to become more confident in the water, but it was also helping me to lose some of the weight that I had gained after pregnancy (especially imperative when one of the biggest risk factors for Covid 19 is obesity), and it was also important for maintaining my mental health.

As a result of the lockdown, several local swimming facilities have not reopened. Not only can I no longer use Ponds Forge, but other local pools such as King Edwards Swimming Pool and Zest Centre also remain closed. The pools reopening are further away and seem to only be offering lane swimming, which is not suitable for us.

Sadly the facilities at Ponds Forge had become in need of some improvements. Some of the showers were in need of repair, lightbulbs needed replacing, the grouting had mould, and lockers were often broken. Equipment such as the floats in the toddler pool were not replaced, there was once lots of animal shaped floats for

the kids to play with, but sadly very few remained at the beginning of this year. However despite the much needed improvements, I regularly went swimming there with my son, because I really like the place, and the staff are all very friendly. It is within walking distance from my home, which as a single parent is essential to me, because it keeps costs down as I don't have to pay for travel to get there.

Therefore I would really like to know when I will be able to take my child swimming again at Ponds Forge.

6.3.2 Councillor Mary Lea stated that the Council and SCT were aiming for the facilities to re-open around the beginning of October 2020. She stated that she would take on board the comments raised with regard to the necessary repairs and maintenance of the facilities. Lisa Firth (Director of Environment and Culture) added that there had been plans to re-open the swimming pools at King Edwards and the Zest Centre but, due to Covid-19, this had not been possible at this time, and the Council had been forced to take a phased approach in terms of re-opening such facilities, whilst adopting Covid-secure measures.

6.4 *GMB (Not Present at the Meeting – Read Out by Deborah Glen, Policy and Improvement Officer)*

6.4.1 The GMB Union wishes to raise concerns regarding even further subsidies being paid to Sheffield City Trust.

Paragraph 3 of the report of the Head of Strategic Finance notes that there has been slippage in the budget which is partly as a result of further millions being handed over to Sheffield City Trust on top of substantial subsidies being paid out in consecutive, previous years.

- (1) Does this Committee feel the most recent handing over of public money in the sum of £15m to Sheffield City Trust, who are now in the process of cutting hundreds of low paid jobs as well as keeping venues such as Ponds Forge closed, with no date for reopening, is fair when the SCT Senior Management team suffer no detriment even when the organisations business model has clearly failed?
- (2) Does this Committee believe the time has now come to bring the sport, leisure and cultural services Sheffield City Trust is responsible for back in-house?
- (3) Will this Committee recommend to the Leader and relevant Cabinet Member/s the urgent need to consider bringing these services in-house to ensure the security of hundreds of jobs and the long term stability of these services that mean so much to the people of Sheffield?

- (4) Would the Council be eligible to secure a grant from the Government's £1.5B rescue package for arts and leisure services if the facilities currently outsourced to Sheffield City Trust were to be brought back in-house?
- 6.4.2 With regard to Question 1, Councillor Terry Fox (Cabinet Member for Finance, Resources and Governance) reported that the Council was not happy in having to hand over the £15 million to the SCT, but the facilities were valued, both locally and nationally, and represented a vital resource for the City. It was accepted that it was not the best deal for the Council, and that more had been expected of the SCT. The Council was very concerned with regard to the redundancies across all the leisure facilities in the City, and Councillor Fox expressed his sorrow, on behalf of the Council, for all those members of staff who had lost their jobs. Councillor Mary Lea added that although the Government had provided numerous grants to organisations during the Covid-19 pandemic, there were no such grants that the Council could apply for, on behalf of SCT, in connection with the current model for the operation of the leisure facilities. She stated that many other cities were in a similar position, and encouraged such authorities to lobby the Government on this issue. With regard to Question 2, Councillor Terry Fox stated that the Council would be giving consideration to its Leisure Strategy going forward, and would be making an announcement on the Strategy at the appropriate time. With regard to Question 3, Councillor Mary Lea re-iterated Councillor Fox's comments as regards question 2, indicating that the Council was reviewing its Leisure Strategy at the moment. With regard to Question 4, it was reported that the Government had announced £1.5B of support for arts and culture. Local authorities were able to apply for this funding, as can Sheffield Theatres Trust and Leisure Trusts, such as SCT, so long as they provide services that fall within the terms of the funding.

7. LEISURE RE-OPENING SUBSIDY - SHEFFIELD CITY TRUST/PLACES LEISURE

- 7.1 The Committee received a report of the Executive Director, Resources, providing an update on the package of funding support provided in order to begin re-opening a number of leisure facilities operated by Sheffield City Trust (SCT) and Places Leisure.
- 7.2 The report indicated that the Covid-19 pandemic had had a significant impact on the facilities' ability to generate income, and without additional funding from the Council, it would not be possible for SCT or Places Leisure to open any leisure provision in the City.

- 7.3 Present for this item were Councillor Mary Lea (Cabinet Member for Culture, Parks and Leisure), Councillor Terry Fox (Cabinet Member for Finance, Resources and Governance), Eugene Walker (Executive Director, Resources), Ryan Keyworth (Director of Finance and Commercial Services), Lisa Firth (Director of Culture and Environment) and John Warner (Trustee, Sheffield City Trust).
- 7.4 Lisa Firth stated that the proposals in the report had obviously been superseded following the statement made by Councillor Mary Lea earlier in this meeting.
- 7.5 Members of the Committee raised questions, and the following responses were provided:-
- Sheffield City Trust (SCT) had presented Council officers, initially, and then Members, with eight options regarding the proposed re-opening of the facilities at Ponds Forge, with the cheapest and most expensive options including keeping all the facilities closed (£11 million) and opening all the facilities (£16.6 million) respectively. The options in between represented a range of proposals in terms of what the Trust thought would enable the best access opportunities in terms of the facilities across the City. As part of its deliberations, the Trust took into account the loss of income at some facilities, such as the English Institute of Sport (EISS) which received contributions from Governing Bodies based at the facility.
 - The Aquatic Clubs' contribution to the re-opening of the pool and diving facilities at Ponds Forge did not take account of the continuing repair and maintenance costs. The contribution also included an element of crowd-funding, which could potentially have fallen on the Council if such funding was not forthcoming. This was not deemed a feasible proposition given the number of users it would help, hence the request from the Council for a report on the proposals for the re-opening of all the facilities within the venue.
 - There were no details in terms of usage figures of the gym at Ponds Forge, but it was confirmed that such figures were considered when the Trust looked at the eight options. A detailed response on this issue would be provided to Members of the Committee.
 - There would be a negative economic impact if the facility was to re-open at the present time on the grounds that there were no events which would generate the required additional income. Economic impact at the moment was negligible on the basis that spectators could not go to the events at the venue. Behind all the current proposals was the Council's Leisure Strategy, therefore whatever decisions were taken at the present time would lead into the Strategy, with a report on this being submitted to the Cabinet at its meeting on 23rd September 2020.

- The Trust was reviewing usage of the City's municipal golf courses, which included an evaluation of how many people had used them since they re-opened in early June 2020. It was accepted that golf was predominantly a seasonal sport, and usage dropped off significantly around November. The Trust and the Council was looking at how the courses could remain more cost-effective during the winter period.
- James Biggin was asking, on behalf of the Aquatics Club, as to whether the club could assist the SCT, in a practical way, in connection with the re-opening of the facilities at Ponds Forge. The Club had worked very closely with the Trust in the past, and would continue to work with the Trust in connection with the numerous operational issues, such as social distancing.
- SCT had looked at all the options with regard to Ponds Forge, from keeping all the facilities closed to re-opening all the facilities, and such options had been presented to the Council. At that time, there had not been any plans for either Ponds Forge or Springs Leisure Centre to re-open. Hopefully, the re-opening of the facilities at Ponds Forge would tie in with the other work in terms of re-opening the City Centre after the Covid-19 pandemic. Several people who worked in the City Centre, together with other residents in the City, used Ponds Forge, therefore the Council wanted to re-open the facilities for them.
- Members and officers were meeting with SCT on a regular basis, and challenging all the decisions being made. The Council was assessing its priorities on an ongoing basis and, around 11th August 2020, the Council did not have all the information from the Trust. There would be significant costs in connection with re-opening Ponds Forge, which would not simply include costs this year, but also ongoing costs going forward. The Cabinet Members had requested officers to draft a report on the various options for re-opening the facilities, for consideration at the Cabinet meeting to be held on 23rd September 2020.
- Whilst the Council was not aware of any major structural issues with regard to Ponds Forge, the venue would require significant investment over the next five years, mainly with regard to backlog maintenance, and the Council would continue working with SCT on this issue.
- There had been some financial issues with regard to Ponds Force and other leisure facilities in the City for a while, which had been exacerbated by the Covid-19 pandemic. The Council had assessed the position during lockdown, which had involved regular meetings with the Trust. The loss of income due to the lockdown requirements had been the biggest issue affecting the Council's budget, which also included losses through the venue having to remain closed during the pandemic. A further problem had been that Trusts had not been able to apply for any compensation grants for loss of income from the Government, and

the Council, along with other core cities in a similar position had been lobbying the Government on this issue. Reports had been sent to the SCT Board, and assessed by the Council, which had led to a meeting of the Trust with Cabinet Members. The issue had first been reported to the Cabinet in May/June, 2020, then referred to this Committee. The issue regarding the £9 million had been reported to the Cabinet in July 2020 and, following this, the Council, in consultation with the Trust, had reviewed the initial impacts of re-opening in August/September.

- There was a period when Ponds Forge was not able to open due to the Government restrictions regarding Covid-19, and the Council did not know when this period would end. The Government then announced that leisure facilities could re-open on 5th July 2020, but, as with other Government announcements regarding the pandemic, it was very late, with very little notice. The Council was aware at this time that it needed to find £11 million. There were additional problems as the Council had to identify additional funding in order to implement the various safety measures, such as social distancing and additional cleaning. This was further exacerbated by the fact that less visitors were allowed in to use the facilities. There had been a decision taken by the Leader in June 2020, to commit additional funding to SCT, and it wasn't until 11th August 2020, when the Council received all the information from the Trust, including the various models for each option in terms of re-opening.
- Several months ago, the Council and the SCT had jointly commissioned consultants to look at the transparency issues with regard to the use of the £16.5 million. The report submitted to the meeting of this Committee held in October 2019, was basically the final version of the report. Since this time, working relationships between the Council and the Trust had tightened significantly, and Council staff were meeting with staff of the Trust more regularly. The Council was keeping a very close eye on the Trust, whilst accepting that it was an independent organisation. The Trustee in attendance confirmed that there was now regular dialogue between the Council and the Trust, with Trustees present, and that the Trust was also working in collaboration with the consultants. The Trust was also working closely with the Council in connection with the backlog maintenance works. There had been an increase in the level of scrutiny of the Trust's finance function, and the Trust had collaborated with all relevant parties on this issue.
- The Council had just been through 10 years of austerity, managing to keep all its leisure facilities open during this time, whilst trying to ensure that SCT delivered the service on zero subsidies. On the basis that this had been deemed unachievable, the Council had invested £2.8 million into the facilities. The Council was currently working on its Leisure Strategy, which set out details of what facilities were needed in the City, and where, and how such facilities should be operated.
- The £16.5 million was a direct result of the loss of income for the City's

leisure facilities due to the Covid-19 pandemic. The Council had originally put aside £2.8 million additional funding for the facilities prior to the pandemic. It had never been the plan to offer £16.5 million to SCT prior to the pandemic. The sporting venues were due to be handed back to the Council in 2024, as part of the terms of the original lease agreement signed in 1989. As part of the Leisure Strategy, the Council would be looking at the best way of operating the facilities going forward, talking to Members and the Trust so that best value could be achieved. All the City's leisure facilities needed maintenance and, in some cases, redevelopment, and the Council was currently reviewing all the possible options. It was hoped that a set of proposals could be submitted to Members, as part of the Leisure Strategy, prior to Christmas.

- Some of the £16.5 million would be used by the Trust to help fund the redundancies of some members of staff, with the redundancy programme being revised in the light of today's announcement. The present position would hopefully provide opportunities for the Council, as part of the Leisure Strategy, to make changes to how it invested in its leisure facilities. Such examples include the facilities at Thorncliffe and Graves, and efforts would be made to develop better facilities in the future, which would be cheaper to run.
- Regular meetings had been held with those core cities in a similar position with regard to lobbying the Government on the issue of the grants to Trusts.
- The £16.5 million referred only to the re-opening of the facilities at Ponds Forge, and there would be no additional cost to the Council with regard to subsidising SCT in terms of Westfield Sports Centre, as this was a Trust-linked facility, and not Council-linked.
- It was likely that there would be a phased re-opening of most of the City's leisure facilities, with little option to open in the immediate future. Swimming facilities will be opening at Springs Leisure Centre in the near future and details of the phased re-opening of the other facilities, including Ponds Forge, would be included in the report to be submitted to the Cabinet at its meeting on 23rd September 2020.
- SCT was in a contract with Scarborough Borough Council, which was loss-making, and this Council did not want this situation to continue.
- There were plans for the City Hall to re-open as and when it was safe and feasible to hold events at the venue.
- SLC (Sport and Leisure Consultants) had been working with the Council on its Leisure Strategy, and this would be reported back to Members later this year, and would include costs and terms of reference for SLC.
- The position with regard to Heeley Baths had not been discussed as yet,

but details of its proposed opening would be included in the report being submitted to the Cabinet on 23rd September 2020.

- The Council would be working closely with SCT up to the time when the leisure facilities were due to come back in-house, in 2024, in order to look at the best options. There had been no direct conditions about the Trust handing the facilities back to the Council. There were a series of complex agreements in place since the facilities were originally constructed, and there would be a number of implications if the Trust were to hand the facilities back, including financial and human resources. The Council was currently working with the Trust in connection with the best course of action, and this work would feed into the Leisure Strategy.

7.6 RESOLVED: That this Committee:-

- (a) notes the contents of the report now submitted, together with the responses to the questions raised;
- (b) thanks Councillors Terry Fox and Mary Lea, Lisa Firth, Ryan Keyworth, Eugene Walker and John Warner for attending the meeting and responding to the questions raised;
- (c) recognises:-
 - (i) the problems caused by the impact of Covid-19 on the sports and leisure facilities across the City;
 - (ii) the work undertaken by both Places Leisure and the Sheffield City Trust in providing excellent sports and leisure facilities across Sheffield, and welcomes the steps taken to open facilities in a Covid-19 safe way;
 - (iii) that the situation faced by the City Council and the operators of the leisure facilities has not been helped by the Government's decision to differentiate between local authorities that operate facilities through charitable trusts and those which operate in-house, when considering reimbursing lost revenue to the tune of 70p in the pound; and
 - (iv) the socio-economic impact that the continued closure has across the City, both in jobs directly within the facilities, and within the wider economy;
- (d) notes the representations that have already been made by Councillor Terry Fox (Deputy Leader and Cabinet Member for Finance, Resources and Governance), Clive Betts MP and the other Sheffield MPs, along with Council officers to the Government regarding the decision to

- exclude Trusts from reimbursement of lost revenue;
- (e) welcomes the announcement that the Cabinet are to agree to provide additional funding to enable Ponds Forge to re-open for all, and calls on the Sheffield City Trust to work with the Council to review the options again, giving consideration to the proposals put forward by the Aquatic Clubs of Ponds Forge, and considering the wider economic impact of Ponds Forge remaining closed;
 - (f) thanks the aquatic squads for their submission, and everyone who had contributed to drawing up the submission, and members of the public who have signed the petition to express their concern over the current proposals; and
 - (g) requests that:-
 - (i) a copy of this recommendation be sent to all the City's Members of Parliament so that they may all take every opportunity to raise this matter with the appropriate Governmental Departments and Ministers, and asking that they reconsider the decision to exclude Trusts from the reimbursement of lost revenue, particularly considering the inherent inequalities that arise from the current policy; and
 - (ii) whilst noting the concerning, but pre-Covid financial information recently reported in private to Members, this Board resolves to set up a cross-party Task and Finish Group to review "The Future of Leisure Services Past and Present", to include the management and control of Sheffield City Trust and the relationship with the Council, and make recommendations through the Cabinet.

8. DATE OF NEXT MEETING

- 8.1 It was noted that the next meeting of the Committee would be held on a date to be arranged.