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Report of: *Eugene Walker – Executive Director of Resources*

Report to: *Cabinet*

Date of Decision: *23rd September 2020*

Subject: *Provision of Grant Funding for Sheffield City Trust, to allow Ponds Forge to Re-Open.*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>		
- Affects 2 or more Wards	<input type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? Finance, Resources and Governance and Culture Parks & Leisure			
Which Scrutiny and Policy Development Committee does this relate to? Environmental Wellbeing Scrutiny and Policy Development Committee			
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>			
Does the report contain confidential or exempt information?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:			
<p><i>“The appendix is not for publication because it contains exempt information under Paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972 (as amended), being information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”</i></p>			

Purpose of Report:

To review the decision taken on the 11th August regarding the re-opening of leisure facilities and agree an additional package of funding support to Sheffield City Trust in order to enable the Trust to reopen Ponds Forge.

The Covid-19 pandemic has had a significant impact on SCT ability to generate income from events at Ponds Forge and without additional funding from SCC it will not be possible for re-open Ponds Forge.

Recommendations:

That Cabinet considers the detail in this report and approves;

- additional funding to SCT of up to £1.6m for the remainder of 2020-21, this will need to be funded from reserves.
- the payment to Sheffield City Trust by way of grant or loan an additional sum of up to £1.6m to enable the reopening of Ponds Forge.
- The Council entering into revised security arrangements with SCT and SIV
- further consideration of the opening of Ponds Forge and other venues to be dealt with as part of two future reports to Cabinet on the Leisure and Entertainment Strategy and the Council's Medium Term Financial Plan and Budget for 2020/21

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Ryan Keyworth/ <i>Chris Nicholson</i>
	Legal: David Hollis
	Equalities: Annemarie Johnston
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:
	<i>Eugene Walker</i>

3	Cabinet Member consulted:	<i>Cllr Terry Fox</i> <i>Cllr Mary Lea</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Lisa Firth</i>	Job Title: <i>Director of Culture</i>
Date: 9th September 2020		

1. PROPOSAL

1.1 The Council took a decision on 11th August to increase the grant to Sheffield City Trust up to £15m (exclusive of exceptional pension costs related to redundancy) in 2020/21 to cover the costs of lockdown and allow for a phased re-opening of certain aspects of the following facilities:

- English Institute of Sport Sheffield (EISS)
- Ice Sheffield
- Hillsborough Leisure Centre
- Concord Sports Centre
- Springs Leisure Centre
- Heeley Pool
- Golf Courses (already re-opened)

In addition, make contract payment to Places Leisure of up to £1.6m in 2020/21 to cover the costs of lockdown and allow for a phased re-opening of the following facilities:

- Graves Health and Leisure Centre
- Thorncliffe Health and Leisure Centre
- Wisewood Sports Centre

Following a further consideration, including feedback from residents, community organisations and users of the centre it is further recommended that additional grant support of up to £960k (excluding lifecycle maintenance costs) is provided to SCT to enable Ponds Forge to be included in the list of venues to receive funding to re-open during 2020/21.

It is anticipated that Ponds Forge will re-open to the public during the 2nd week in October, although further detailed work needs to be completed on re-opening plans before a final date can be confirmed.

Heeley Pool was originally re-opened to help to accommodate clubs and swimming lessons displaced from Ponds Forge. When Ponds Forge re-opens Heeley Pool will remain open and operate as a community facility

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The re-opening of Ponds Forge will increase the number of leisure facilities available in Sheffield and provide increased access to physical activity for all the residents, community groups, students and clubs, including the use of the international 50m pool and diving facility.

3. HAS THERE BEEN ANY CONSULTATION?

Following the decision to re-open the majority of venues in the city further work has been undertaken to understand the views of residents, community organisations, underrepresented groups, users of Ponds Forge and local businesses.

Feedback has been supportive of the re-opening of Ponds Forge.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 The funding provided will allow the reopening of Ponds Forge and will improve the quality of provision across the city. Leisure centres provide valuable swimming lesson provision, lane swimming, gym and fitness classes for physical exercise, ice skating and athletics activities for key demographic areas and deliver positive physical and mental health and wellbeing impacts.

It should be noted that with social distancing measures in place it will simply not be possible to re-instate all activity that was available pre Covid-19. The priority must be to ensure the safety of both customer and staff and ensure that activities delivered comply with social distancing requirements.

4.2 Financial and Commercial Implications

- 4.2.1 This proposal is to provide the estimated additional funding required in 2020-21 to cover the costs of re-opening Ponds Forge.

The estimated funding required in 20-21 is £1.6m.

The additional cost will increase the current overspend of £17million to £18.6 million this year so it is proposed to be funded through the authority's financial strategy for the management of the costs of Covid-19 which will use a combination of central Government grants and the authority's reserves i.e. the overspend will be funded by a further draw of £1million on reserves.

As part of finalising the overall subsidy for SCT for the current financial year, the City Council will make it clear that it expects SCT to end all its loss making contracts with other local authorities as soon as possible and at minimum cost. The Council will not make a provision to cover any costs relating to such contacts in next year's budget.

As Members have been advised, this draw on reserves can be covered as a short term measure, but is not sustainable in to next year. This decision therefore covers the opening of Ponds and other venues up until 31 March 2021. Any decisions about leisure venues post 1 April will have

to be based on:

- the forthcoming Leisure and Entertainment Strategy, which will seek to bring capital investment into our venues to upgrade them, making them fit for the future and more efficient
- the Medium Term Financial Strategy and 2020/21 budget

Reports on both of the above are scheduled for Cabinet before Christmas, in good time for decisions to be made before the start of next financial year.

It should be noted that the above cost estimates assume there will be no change to current social distancing restrictions and that venues remain open (no local lock-down /2nd wave) and that no new Government support becomes available

Clearly there is a risk that the income projections (therefore subsidy required) could differ significantly (up or down) from those estimated in this report should there be changes in any of the key external factors around social distancing restrictions, such as a further local or national lock-down and new government support.

Given the above risks it is vital that the position is subject to rigorous monthly monitoring of both the actual and forecast position for the remainder of the financial year.

4.3 Legal Implications

- 4.3.1 The Council does not have a legal duty to provide leisure services, however there are a number of statutory duties related to leisure facilities, which includes the statutory youth provision and the need to ensure children in primary schools can learn to swim.
- 4.3.2 The Council has the power to provide recreational facilities under s19 Local Government Miscellaneous Provisions Act 1976. That section specifically empowers the Council to contribute by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing any recreational facilities. For these purposes SCT is a voluntary organisation. The Council may enter into a contract for the provision of recreational facilities and services under that s19 together with s1 Local Government (Contracts) Act 1997.
- 4.3.3 The Council can pay the grant or loans to SCT via the existing funding agreements therefore no new agreements are required, however as a consequence of the increased funding and potential for additional loans the Council has reviewed the security it holds against SCT assets and will require SCT and SIV to enter into a revised debenture.

4.4. Public Health Implication

SCT have liaised with Public Health colleagues to finalise their re-opening plans, risk assessments and operating procedures to ensure that plans comply with Government Guidelines on safe re-opening and Covid-19 track and trace requirements.

4.5 Property Implications

Moving beyond lockdown and with opening restrictions easing the Council has adopted a clear approach to its differing opening and operational responsibilities as property occupier, tenant and landlord.

Ponds Forge is leased by SCC to SCT and is subject to agreements which pass operational liability and maintenance directly to the SCT. As such the Council has no direct liability for making the facilities COVID secure from both a building and operational perspective.

In reopening Ponds Forge SCT will therefore be responsible for ensuring that government guidance and best practice is adhered to in reopening the buildings, making them COVID secure and in operation and management of the facilities. All measures such as signage, new layouts and one way systems, enhanced cleaning and all operational requirements will be the responsibility of SCT.

4.6 HR Implications

Sheffield City Trust is currently in redundancy consultation with staff across the organisation, including Ponds Forge. This decision will mean that redundancy proposals will need to be revised as some staff will be required to work at Ponds Forge to enable the facility to re-open.

Support and guidance through any redundancy process will be managed by SCT in accordance with agreed policies. SCT will provide as much information and support as possible to employees experiencing this change, including use of the Westfield Healthy Extra's scheme. SCT are working in partnership with Sheffield Credit Union, Job Centre Plus and other organisations in order to support staff. SCT's in house People Team is also providing support to employees with CV writing skills and interview techniques, should they need it.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The alternative options considered included keeping Ponds Forge closed. In conjunction with SCT, SCC is currently developing the future strategy for leisure and entertainment in the city and as part of that work is looking at areas for potential investment. There was an option to assess the potential to accelerate improvement works at Ponds Forge whilst the venue remained closed as this would avoid disruption in the future. However following consideration this option was ruled out because it was felt that re-opening Ponds Forge during 2020/21 would

potentially help to restart the city centre economy, support students returning to the city, provide access for disability groups and other community users (226k visits per year) as well as a number of clubs and groups. Considering the wider implications of keeping this facility closed, particularly the impact on community groups that rely on this facility, along with the need to get our city centre moving again, means that we are making a recommendation to provide funding for the remainder of the financial year 2020-2021 to re-open the facility to all users.

A further option to open Ponds Forge for only club use was also considered. This option was ruled out as it did not provide equality of access for a wide range of users of Ponds Forge. The cost of this option was estimated at £90k per month (excluding lifecycle costs), with the clubs contributing c£30k and the Council needing to contribute the remaining £60k. This option was not supported due to the relatively small number of users it would support.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The financial support to SCT to re-open Ponds Forge will allow an increased range of facilities to re-open and will contribute the health and wellbeing of residents.