



**Author/Lead Officer of Report:** *Lisa Firth – Director of Culture*

**Tel:** 07867 158407

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

**Report to:** *Councillor Terry Fox – Cabinet Member for Finance, Resources and Governance*

**Date of Decision:** *29 March 2021*

**Subject:** Acceptance of external funding into the Council from the National Leisure Recovery Fund

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 type="checkbox"/>	No <input checked="" 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 type="checkbox"/>	No <input checked="" 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:		

**Purpose of Report:**

To agree acceptance of £1,529,721 funding support from the National Leisure Recovery Fund (NLRF) to support a number of leisure facilities operated by Sheffield City Trust (SCT) and Places Leisure (PL).

The Covid-19 pandemic has had a significant impact on the facilities ability to generate income, funding from the NLRF will help to support continued operation of leisure provision in the city.

**Recommendations:**

That the Cabinet Member considers the detail in this report and approves;

1. Acceptance £1,529,721 of funding support from the National Leisure Recovery Fund
2. Notes that a report on funding leisure services for the financial year 2021/2022 will be brought for decision soon.
3. Notes that arrangements will be put in place to finalise the funding arrangements and put in place any required monitoring/reporting arrangements.
4. Delegates' authority to the Director of Culture and Environment, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services to take such steps not already delegated as they deem appropriate to achieve the outcomes set out in this report.

**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: M.Wassell
		Legal: David Hollis
		Equalities: N/A
<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	<b>EMT member who approved submission:</b>	Eugene Walker
3	<b>Cabinet Member consulted:</b>	<i>Cllr Terry Fox 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.	
	<b>Lead Officer Name:</b> <i>Lisa Firth</i>	<b>Job Title:</b> <i>Director of Culture</i>
<b>Date: 15<sup>th</sup> March 2021</b>		

## **1. PROPOSAL**

- 1.1 The Covid-19 pandemic has had a significant impact on Sheffield City Trust (SCT) and Places Leisure (PL) ability to generate income. In August 2020 the Council took decision to provide an additional £16.6m to enable a phased re-opening of leisure facilities in 2020/2021. A report for decision on funding leisure facilities in 2021/2022 will be tabled soon.

Given the significant pressures faced by the Leisure Sector HM Treasury and the DCMS launched a National Leisure Recovery Fund to support Local Authorities and their operating partners. The funding is to support the cost of re-opening facilities and can also be spent on utilities, staff costs (for those not furloughed), essential maintenance and security costs incurred during the latest lockdown period:

The NLRF will be used to meet costs in 2020/2021 in line with the previous funding decision and for reopening in 2021/2022 at the following facilities:

Concord Sports Centre  
Springs Leisure Centre  
Heeley Pool and Gym  
Hillsborough Leisure Centre  
Ponds Forge Leisure Centre  
English Institute of Sport Sheffield (EISS)  
Graves Health and Leisure Centre  
Thornccliffe Health and Leisure Centre  
Wisewood Leisure Centre

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 The funding will contribute to the costs leisure facilities and provide access (subject to national restrictions) to physical activity for the residents of Sheffield.

## **3. HAS THERE BEEN ANY CONSULTATION?**

Since the UK Government announced the first national lockdown and the closure of all leisure facilities, the sector has come together to work collaboratively on a strategy towards recovery. The benefits of sport and physical activity are already well known and are more important than ever at this time, with evidence showing that being active and healthy can boost your immune system and reduces your risk of both contraction and the impact of Covid 19. Being active is not just good for you physically, it can do so much more, including help prevent or manage

medical conditions, reduce anxiety or stress, improve a person's confidence or self-esteem, or bring people from diverse backgrounds together. Doing less than 30 minutes of moderate physical activity a week is one of the top ten causes of early mortality in England. 62% of people feel that exercise is more important during the pandemic than at other times. Extensive research has been conducted at both a national and local level to understand how people are feeling and what their likely patterns of behaviour might be as we move into the next phase.

Consumer commitment on returning to leisure facilities is positive, with a Leisure-net survey indicating that 88% of users stating they would use their facility the same amount or more on reopening. However 4% indicated that they would not return, the main reason for this being they will be doing outdoor independent activity.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality of Opportunity Implications**

4.1.1 The NLRF funding will be used to support the cost of leisure facilities and will provide equality of provision across the city. Leisure centres provide valuable swimming lesson provision, lane swimming, gym and fitness classes for physical exercise and athletics activities for key demographic areas and deliver positive physical and mental health and wellbeing impacts.

With social distancing measure 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 venues and activities delivered comply with social distancing requirements.

### **4.2 Financial and Commercial Implications**

#### **4.2.1 National Leisure Recovery Fund (Revenue Grant: £1,529,721)**

Key features (not exclusive) of the grant terms and conditions are summarised as follows. The Grant Manager will need to read, understand and comply with all of the grant terms and conditions.

- Grant is to help support the costs of reopening/recovery of the public sector leisure sector
- Start date: Date of the Agreement
- End date: Earlier of the end of a continuous period of 12 months during which there have been no relevant COVID 19 Restrictions or the second anniversary of the date of this agreement.

### **Payment of Grant.**

- Grant paid in a single instalment within 21 days of the agreement date.
- Grant is only for expenditure as set out in the Recovery Plan (including expenditure between 1/12/ 2020 and the date of this Agreement)
- An underspend in any month compared to the Recovery Plan can be carried forward to a future month (including any month following March 2021).
- SCC may not apply more than the total Grant allocation in the Recovery Plan for each expenditure heading unless approved by Sport England or If SCC does not maximise each expenditure head then any shortfall can be vired to another expenditure head equal to 20% of the Grant line in the Recovery Plan to which the shortfall is being re-allocated.
- Grant not to be used for any purpose other than facilities operation
- The M&E Grant (£1,542) is for analysis of information only.
- Grant may not be used for Operator profit/redundancy/similar payments.

### **Operating the Facilities**

- No sub-contracting/ delegating the facilities operation unless Sport England approves
- SCC to ensure the Operator operates using the Recovery Plan.
- SCC to ensure that Facilities are adequately maintained if required to close
- SCC to reviews/update Recovery Plan, changes approved by Sport England.

### **Reporting and Monitoring**

- Comply with Sport England's monitoring/reporting requirements (see full details).

### **VAT**

- Grant does not cover a taxable supply and is not subject to VAT. If VAT is payable then the Grant will be inclusive of VAT.
- Any VAT liability/recovery is the sole responsibility of SCC.
- SCC to use reasonable endeavours to minimise VAT payments and/or to recover the VAT
- Grant cannot be used to fund payment of VAT for operating cost unless:
  - VAT is payable and irrecoverable by SCC; and

- VAT is specifically identified as being irrecoverable in the Recovery Plan.

### **Clawback.**

- Material breach of the terms will result in clawback (see full details).
- Grant clawback if it has been used for a purpose other than facilities operation.
- SCC to notify Sport England if a Clawback Event has occurred.
- If SCC fails to claim any part of the Grant according to the Agreement, Sport England will be entitled to retain/reduce the Grant.

### **Records and Audit**

- Records to be retained for at least three years following the end of the Grant Term.
- Grant subject to Audit for two years following the end of the Grant Term (or a longer period if required by Applicable Law).

The Standard Terms and Conditions are unremarkable and reflect normal grant conditions to which the Council has been bound under numerous other successful grant applications – including with Sport England – in the past and therefore do not pose any significant or novel risks nor do they present the Council with obligations which it is not familiar with. Perhaps of note are the Data provisions under which the Council is asked to enter into a data sharing agreement (though this appears to be statistical data rather than *personal* subject data) at some point in the future to share the sports sessions activity to assist Sports England in improved analysis of the effectiveness of its grant funded activity.

### **Commercial Implications.**

- There are no direct commercial implications arising from this report. Any procurement activity associated with the grant award will be reported separately.

- All public sector procurement is governed by and must be compliant with UK National Law. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

- Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All

grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process

The Grant Manager will also need to develop a viable exit strategy for when the grant funding ends to ensure that there are no unfunded ongoing costs as currently there are no identified funding sources available.

#### 4.3 Legal Implications

- 4.3.1 The Council has the power under s 19 Local Government (Miscellaneous Provisions) Act 1976 to provide such recreational facilities as it thinks fit, including the types mentioned in this report. In doing so it may contribute by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing any recreational facilities which the authority has power to provide.

Accepting this grant is calculated to facilitate, or is conducive or incidental to, the discharge of any of this function so is permitted by s111 Local Government Act 1972.

- 4.3.2 In passing the money to delivery organisations the Council will need to comply with procurement and subsidy control law. For 2020/2021 those implications are as per the August 2020 report as this funding defrays those costs. The implications for 2021/2022 will be picked up in the funding report.
- 4.3.3 Most of the funding can be provided via existing contractual arrangements but funding may need some may need bespoke funding agreements or variations of existing ones.

#### 4.4. Public Health Implication

Both SCT and PL 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.

The facilities which are the subject of this report are leased by SCC and are subject to agreements which pass operational liability and maintenance directly to the operators (PL and SCT). As such the

Council has no direct liability for making the facilities COVID secure from both a building and operational perspective.

In reopening the properties SCT and PL 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 and PL.

Similarly SCT and PL will retain responsibility for mothballing the facilities which remain closed, and for their ongoing management and security.

#### 4.6 HR Implications

There are no direct HR implications arising from this proposal.

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The alternative option considered was to fully fund the re-opening of leisure facilities from Council reserves. This option was not considered to be in the best interest of the Council.

### 6. **REASONS FOR RECOMMENDATIONS**

- 6.1 The financial support from NLRF will support the Councils costs relating to the re-opening the leisure facilities listed in section 1.1 of this report.