

## CABINET

15 June 2021

### CATMOSE SPORTS CONTRACT UPDATE

#### Report of the Strategic Director for Places

Strategic Aim:	Vibrant Communities	
Key Decision: Yes	Forward Plan Reference: FP/140521	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr A Walters, Portfolio Holder for Health, Leisure, Wellbeing and Adult Care	
Contact Officer(s):	Robert Clayton, Head of Culture & Registration	01572 758435 rclayton@rutland.gov.uk
Ward Councillors	All	

#### DECISION RECOMMENDATIONS

That the Portfolio Holder, in consultation with Cabinet:

1. Approves acceptance of the offer of a grant of £59,249 from the National Leisure Recovery Fund (NLRF), administered by Sport England, to support the re-opening of the Catmose Sports facility. £57,707 will be passed on to the Council's leisure operator.
2. Notes the request from the Council's leisure operator Stevenage Leisure Ltd (SLL) for additional financial support for the 2021-22 financial year.
3. Authorises the Strategic Director for Places and the Strategic Director for Resources, in consultation with the Cabinet Member with Portfolio for Finance and the Cabinet Member with Portfolio for Leisure, to agree additional financial support to SLL of up to £43,000 (in addition to the NLRF) in 2021-22 in light of the Covid-19 impact and swimming pool closure.
4. Authorises the Strategic Director for Places and the Strategic Director for Resources, in consultation with the Cabinet Member with Portfolio for Finance and the Cabinet Member with Portfolio for Leisure, to agree capital expenditure on maintenance works at the Catmose Sports facility, in line with lease obligations, of up to £150,000 over the financial years 2021-22 and 2022-23.

## **1 PURPOSE OF THE REPORT**

- 1.1 Rutland County Council has been offered a grant of £59,249 from the National Leisure Recovery Fund (NLRF) (including £1,542 for monitoring work), administered by Sport England, to support the re-opening of the Catmose Sports facility. Cabinet approval is requested to accept this grant, all of which is required to be passed on to SLL, except for the monitoring element.
- 1.2 SLL has experienced additional impacts on their income forecasts for 2021-22 as a result of the additional lockdown period and the closure of the swimming pool. As a result SLL have requested an additional financial support for the 2021-22 financial year.
- 1.3 Cabinet is requested to authorise the Strategic Director for Places and the Strategic Director for Resources, in consultation with the Cabinet Member with Portfolio for Finance and the Cabinet Member with Portfolio for Leisure, to agree additional financial support to SLL of up to £43,000 in 2021-22 in light of the Covid-19 impact and swimming pool closure, in addition to the NLRF funding.
- 1.4 Cabinet is requested to authorise the Strategic Director for Places and the Strategic Director for Resources, in consultation with the Cabinet Member with Portfolio for Finance and the Cabinet Member with Portfolio for Leisure, to agree capital expenditure on maintenance works at the Catmose Sports facility, in line with lease obligations, of up to £150,000 over the financial years 2021-22 and 2022-23.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

- 2.1 In response to the impact of the pandemic on Leisure Centre provision, Sport England in partnership with Central Government put in place a National Leisure Recovery Fund (NLRF). Funds were granted to local authorities for passing on to operators. Rutland was allocated £57,707, with an additional £1,542 being granted for monitoring purposes.
- 2.2 Stevenage Leisure Ltd (SLL), the operators of the Catmose Sports site, have written to the Council stating that they require additional financial support as a result of the impact of the pandemic, and the closure of the pool, both of which have significantly reduced their income recovery forecast for the site. In 2020/21 SLL experienced an £84,309 loss at the site. Without the £168,000 support provided by the Council, losses would have been over £250,000. The additional national pandemic lockdown from January to May not only impacted 2020/21 figures, but also significantly set back recovery of memberships and activities for the present financial year.
- 2.3 The leisure management contract with SLL expired on 31<sup>st</sup> March 2021. SLL have agreed to temporarily continue operating the centre, but will withdraw from operations from August 2021 if additional financial support cannot be secured.
- 2.4 Undertaking fundamental repair works to make the swimming pool operational in the short term have been assessed as costing over £500,000. This major capital commitment will be considered as part of the longer term future of leisure provision, which will be presented for Cabinet consideration between July and September this year. As such immediate re-opening of the pool has not been included as an option.
- 2.5 The Leisure Contract Project Board, attended by Cllrs Stephenson, Payne and Walters, met on 4<sup>th</sup> May to review options for the short term, and agreed there were two principal options:

Option 1 – Close the facility and mothball the site  
Option 2 – Open the facility but with pool closed, and financially support SLL

- 2.6 If Cabinet agree to support SLL then the agreement would be on an open book arrangement, and would include the option for the Council to terminate the contract at 3 months' notice. Officers would continue to negotiate with SLL to seek to reduce costs further, and in particular ensure maintenance works they are responsible for are included within their figures, and preventative maintenance to avoid further deterioration of the site is undertaken.
- 2.7 Due to the potential impact on community access to sport and leisure, with no ability to put in place short term compensatory provision at other sites, it is recommended that Cabinet approve Option 2. This approach would enable the Council to minimise its cost exposure whilst retaining the facility operating for the local community, and avoid potential disputes with Catmose College over lease obligations.
- 2.8 If the site were closed to the public (Option 1) capital works would be required to ensure the Sports Hall would be maintained for use of the College. The Council's lease with the College, which extends to 2051 does not have any break clause options but does have maintenance obligations.

### **3 LONGER TERM CONSIDERATIONS**

- 3.1 Officers, supported by RPT Consulting, are currently completing the review of leisure provision for the County, as authorised by Cabinet on 12<sup>th</sup> January 2021. The results of the Leisure Needs Analysis and Options Review will be presented during July – Sept 2021 to Scrutiny, Cabinet and Full Council for decisions on the long term future of leisure in the County.
- 3.2 If the outcome of the review is a decision to cease the Catmose Sports provision, then 3 months' notice could be given to SLL. If the decision is to keep the facility open and commence procurement for a successor operator, then agreeing to the current request for financial support would provide a transition period.
- 3.3 If there is a decision not to re-open the Catmose Pool as part of these discussions, Officers will review the potential to have the site's rateable value reassessed, with the aim of reducing business rates liability.

### **4 CONSULTATION**

- 4.1 The contractual position and potential financial impact has been discussed with the Leader, the Portfolio Holder for Finance, the Portfolio Holder for Leisure, the Strategic Directors for Resources and Places, and the Deputy Director Corporate Governance. The site landlord, Catmose College, and the Leisure Operator, SLL, have been made aware of this decision making process and the potential impact on the provision at the site.

### **5 ALTERNATIVE OPTIONS**

- 5.1 The option to cease support for the leisure operator and close the Catmose Sports centre has been outlined above. No additional short term options have been identified as being viable.

- 5.2 Officers have discussed approaches for supporting leisure providers with neighbouring authorities, which are all facing similar cost pressures. Each contract is different (and those with in-house services are experiencing similar pressure), but the requirement to provide financial support is uniform across all authorities. Many authorities have agreed financial support packages with their providers to underwrite core operating costs and overheads. District Authorities in Leicestershire are anticipating providing over £3m in support to their operators in 2021-22.

## **6 FINANCIAL IMPLICATIONS**

- 6.1 The Council has already agreed to revenue support for SLL of £200,000 over the two years to March 2023. The additional £43,000 revenue support for SLL would be funded through Covid-impact funding, as the request is as a direct consequence of the pandemic effect on operations of the site.
- 6.2 Capital expenditure could be funded through the use of Section 106 funds received by the Authority for the purpose of improving sport and leisure provision. The Council has the following balances totalling £108,000 in hand which are required to be spent on recreation, sport and leisure:
- |               |                                |         |
|---------------|--------------------------------|---------|
| 2015/0192/MAJ | Land at Barleythorpe Hall      | £88,491 |
| APP/2012/0665 | Land North of Barleythorpe Way | £10,560 |
| OUT/2010/0954 | Land to the North of Oakham    | £8,985  |
- 6.3 Revenue and Capital details are provided in Exempt Appendix A, as it includes contractually confidential information.

## **7 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 7.1 Anthony Collins Solicitors LLP have reviewed the contractual position, and provided advice to officers.
- 7.2 Agreeing support is a Key Decision and outside of delegated powers. Cabinet authority is therefore requested for this work.
- 7.3 Cabinet Office procurement Policy Note "Supplier relief due to COVID-19. Action note PPN 02/20 March 2020" provides assurance that support measures do not constitute unlawful state aid because the ability to offer financial support has arisen through the existing, pre-procured contractual mechanisms already in place.

## **8 DATA PROTECTION IMPLICATIONS**

- 8.1 A Stage 1 Data Protection Impact Assessment (DPIA) has been completed which indicates that as no new personal information or methods of collection will be caused by the proposed support provision, there is no requirement for a full Impact Assessment to be completed.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 If a support package for the contract is not agreed, there may be equality and diversity impacts. A full Equality Impact Assessment (EqIA) has been completed which outlines the potential areas of impact.

## **10 COMMUNITY SAFETY IMPLICATIONS**

- 10.1 Provision of accessible, good quality sports and recreation facilities helps to reduce levels of anti-social behaviour, by providing diversionary activities. Formal membership of sports and recreation organisations helps to build community bonds and a sense of local pride.

## **11 HEALTH AND WELLBEING IMPLICATIONS**

- 11.1 Provision of a comprehensive and accessible network of facilities to enable individuals and groups to participate in sports and recreation can be a huge benefit to the health and wellbeing of the community. A vibrant sports community already exists in Rutland, and is a significant contribution to the generally high levels of health and wellbeing recorded in the County. A positive attitude to physical fitness and personal health has also been shown to improve the mental wellbeing of individuals. The range of facilities and pursuits available in Rutland is also a strong draw for persons considering relocating to the area.
- 11.2 The Catmose Sports facility is a critical element of Rutland's sports provision. The Centre is hub of the GP Exercise Referral provision, organising and assessing individuals who have been recommended to undertake physical activity to address their health issues.
- 11.3 If the Catmose sports facility closes without alternative provision there would be short and longer term health implications for the wellbeing of a number of residents both young and old. The cessation of gym / fitness class facilities and lack of access for many local sports clubs would create a significant downturn in levels of physical activity and increase pressure on the County Council to respond to community demand for such activities.

## **12 ORGANISATIONAL IMPLICATIONS**

### **12.1 Procurement Implications**

- 12.2 The Catmose Campus Sports Centre Management Contract between the Council and SLL includes provision for a "Change in Law" event that substantially impacts the operation of the service (Clause 16). Under such circumstances either party can notify the other of the impacts, and propose changes in the services to address the impacts.
- 12.3 The Contract also has provision for the contractor to propose a Variation (Clause 15). The Council may propose modifications, accept or reject the Contractor Notice of Variation. It is proposed that through this mechanism a support package will be agreed with the Contractor.

## **13 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 13.1 Cabinet approval is sought for acceptance of the National Leisure Recovery Fund grant of £59,249, which will support the recovery of services at the Catmose Sports centre.
- 13.2 In order to mitigate the impact of the Covid-19 pandemic on leisure provision in the County, Cabinet is requested to authorise the Strategic Director for Places and the Strategic Director for Resources, in consultation with the Cabinet Member with portfolio for Finance and the Cabinet Member with portfolio for Leisure, to agree financial support to the Council's leisure operator, Stevenage Leisure Ltd (SLL), and capital expenditure to cover maintenance costs for up to the next two years.
- 13.3 Agreeing a support package will ensure that access to leisure provision, following the restrictions on activity imposed by Central Government, can continue in the current financial year and onwards to the end of March 2022. Agreeing a package of financial support will allow services to be sustained until longer term decisions on leisure provision for the County have been considered over the summer.

## **14 BACKGROUND PAPERS**

- 14.1 There are no additional background papers to the report.

## **15 APPENDICES**

- 15.1 There are no appendices to the report.

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