

STROUD DISTRICT COUNCIL

OFFICER DECISION REPORT

Report Title	SUPPORT FOR SPORTS & LEISURE MANAGEMENT (SLM)			
Purpose of Report	To record the decision made with regards to support for SLM during the closure of Stratford Park Leisure Centre as a consequence of the Coronavirus pandemic			
Decision(s)	A decision has been made to a. Approve the delay the introduction of the Real Living Wage at the leisure centre for six months b. Pay all management fees due to SLM for the 20/21 year immediately			
Consultation and Feedback	Group Leaders of all four parties have been consulted together with the Chief Executive and Monitoring Officer			
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Options	The decision could be taken to grant greater or lesser support. The proposed action is thought to be the best balance between supporting SLM and protecting public resources at the current time. The level of support may need to re-considered in future if the closure of the centre continues for an extended period.			
Background Papers	None			
Appendices				
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. INTRODUCTION / BACKGROUND

- 1.1 As a result of government measures to combat the spread of Covid-19 Stratford Park Leisure Centre was closed to the public on March 20th 2020.

- 1.2 In the week preceding that date District Council Officers had written to SLM to request a closure and discussions had already begun as to the impact of such a closure.
- 1.3 The financial operation of the site is normally that all operating costs and revenue are the responsibility of SLM. The District Council pay a management fee to SLM for their operation of the centre. For the 2020/21 year this was to be £82,188.
- 1.4 SLM have been undertaking work to introduce, at the request of the District Council, the real living wage at the centre. The cost of this was to be met in full by SDC and a cost of £71,750 had been agreed for this service change which was to be added to the management fee. At its full budget Council in February 2020 the District Council had approved an allowance of £80k for this change which was the maximum estimated cost at that time.

2. CONSIDERATIONS

- 2.1 The closure of all of their leisure centres clearly poses a very significant financial pressure for SLM. This pressures relates both to immediate cash flow as income streams have stopped and the long term financial position of the company. Previously provided management accounting information suggests that gross income received at the Stratford Park centre alone is in excess of £150k per month.
- 2.2 With the closure of the centre the majority of the staff are not working. A skeleton staff is being maintained to carry out basic operational checks and safety functions at the centre. These safety functions include the required tasks to prevent against legionella upon the reopening of the centre.
- 2.3 All staff who would be receiving a pay rise as a result of the real living wage increase are currently not working.
- 2.4 SLM paid their staff in full for March even though the centre closed on March 20th. The impact of this was met from their own reserves.
- 2.5 As part of the government's support for businesses during this unprecedented time, support is available to meet the payroll costs for those employees furloughed and unable to work. The government will directly meet the cost of 80% of the standard payroll cost for these employees provided they do not carry out any work for SLM during the furlough period.
- 2.5 SLM wrote to the Council on March 23rd to request financial assistance from the authority. There are a number of items detailed within but they can be summarised into three main categories
 - The balance of payroll costs if employees remain at 100% pay whilst they are furloughed
 - The remaining operational costs at the centre
 - Support for some comms work to continue at this time to avoid the centre seeming silent on social media and other outlets
- 2.6 The original figure requested was £25,864 per month but in subsequent information which has provided this has reduced to approximately £11k per month. It should be noted that

both the Council and SLM have been working rapidly to understand the various support schemes produced by the government.

- 2.7 During the duration of the closure staff who have been furloughed will move to 80% of their current salary with SLM reclaiming this cost from the government scheme.

3. RECOMMENDATION

- 3.1 Officers recommend that all management fees payable at Stratford Park leisure centre are paid up front in advance. This will help the cash flow position at the Centre and ensure that funds are available to meet the payroll commitments for April.

- 3.2 The real living wage introduction should be delayed for six months at the centre. Although the Council and SLM firmly believe in the value of the living wage and have worked towards introducing at the centre the current financial position does not allow for the introduction at a time when all the staff who were to be in receipt of this pay rise are not working. By not introducing the increase but still paying the associated sums to SLM this effectively amounts to a cash grant of £35,875 (half of the agreed real living wage sum). This should meet costs at the centre for the initial closedown period.

- 3.3 Both of these elements of support are contained within existing Council budgets and represent no additional financial outlay for the Council.

- 3.4 It should be recognised that this is the level of support recommended at this time. There is no clarity as to the potential duration of the closure of the centre and more support may be needed if the period of closure is extended. Dialogue will continue with SLM throughout the period of closure.

4. IMPLICATIONS

4.1 Financial Implications

The sums involved here are all contained within the existing MTFP. No further budgetary resources have been committed.

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4.2.1 Legal Implications

All of the sums are already included in the budget and have therefore been authorised by Council. There is no legal impediment to the Council providing the management fee on an upfront basis, these are exceptional circumstances and it is in the Council's interests to properly assist SLM with this measure at this time. There is no legal requirement to pay the Real Living Wage and it is permissible to take the decision to defer the implementation of this until a later date.

This is a decision that would ordinarily have been referred to the Strategy and Resources Committee. However, there is a Government ban on gatherings and the current legal position is that members have to be 'present', which means physically present. Whilst

legislation has been enacted in the Coronavirus Act 2020, Regulations are awaited to enable the Council to hold meetings remotely.

Given the urgency of the situation, necessity dictates that this decision should be taken by the Section 151 Officer with the agreement of the political group leaders, Head of Paid Service and the Monitoring Officer

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4.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision.

4.4 Environmental Implications

There are no significant implications within this category.