

Minutes

Cabinet

31st July 2020



These minutes principally record decisions taken and, where appropriate, the reasons for the decisions. A recording of the meeting is available at <http://www.braintree.gov.uk/youtube>

Present:

| Portfolio | Cabinet Member | Present |
|--|--------------------------|---------------------|
| Leader of the Council | Councillor G Butland | Yes |
| Deputy Leader of the Council and Economic Development and Infrastructure | Councillor T Cunningham | Yes |
| Communities Culture and Tourism | Councillor F Ricci | Yes |
| Corporate Transformation | Councillor J McKee | Yes |
| Environment and Place | Councillor Mrs W Schmitt | Yes |
| Finance and Performance Management | Councillor D Bebb | Apologies |
| Health and Wellbeing | Councillor P Tattersley | Yes |
| Homes | Councillor K Bowers | Yes (until 12.30pm) |
| Planning | Councillor Mrs G Spray | Yes |

Also present as an invitee of the Leader: Councillor D Mann, Leader of the Labour Group.

Apologies from invitees of the Leader: Councillor J Abbott, Leader of the Green and Independent Group and Councillor Mrs J Pell, Leader of the Halstead Residents Group.

18 DECLARATIONS OF INTEREST

INFORMATION: There were no interests declared.

19 MINUTES

DECISION: That the Minutes of the meeting of the Cabinet held on 13th July 2020 be approved as a correct record and signed by the Chairman as soon as possible.

20 QUESTION TIME

INFORMATION: There was one statement made by Mr and Mrs S Miller regarding Agenda Item 5a - 'Fusion Lifestyle Remobilisation Support – August 2020 to March 2021'. Mr and Mrs Miller had submitted a written statement in advance of the meeting and this was read to Members of the Cabinet by the Council's Governance and

Member Services Officer immediately prior to the consideration of the Item. In part of their statement Mr and Mrs Miller referred to a leaking roof at one of the premises operated by Fusion. It was not known which premises was being referred to, but the Council's Leisure and Contracts Manager agreed to investigate this matter and to report back to Mr and Mrs Miller.

21 ****FUSION LIFESTYLE REMOBILISATION SUPPORT – AUGUST 2020 TO MARCH 2021**

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| Minutes Published: 7th August 2020 Call-in Expires: 17th August 2020 |
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This Item was considered entirely in the Public Session of the meeting. There was not a Private Session report.

INFORMATION: Consideration was given to a report on the provision of financial support for the re-opening of leisure centres across the Braintree District, which were operated by Fusion Lifestyle on behalf of the Council.

In accordance with the Government's decision to shut leisure centres to help slow the spread of the Covid-19 virus, all Fusion operated leisure centres within the District had closed on 20th March 2020. At that time, a review of Fusion's financial position had been carried out, which had concluded that despite mitigation measures the Council and other Local Authority customers should provide additional support throughout the lockdown period. This would ensure the continued survival of Fusion, which was a charitable, non-profit making organisation. Subsequently, the Council had approved financial support to Fusion totalling £167.4k for April, May and June 2020. This consisted of the waiving of the management fee of £48.3k; a grant of £113.7k; and the waiving of £5.4k towards PV panel recharges. It was anticipated also that financial relief of £55.8k would be provided to Fusion for July 2020.

Following a relaxation in restrictions, the Government had announced that gyms and indoor sports centres could re-open from 25th July 2020 and guidance to support this process had been published on 9th July 2020.

Discussions had taken place between Fusion and the Council about how the District's leisure centres could re-open safely at the earliest opportunity and it was proposed that this should be in two phases. Details of this phased approach, including timescales and costs were set out in the report. Based on analysis by UKActive, Fusion had estimated that participation at the re-opened leisure centres would be at 30% of normal levels, improving to 60% by March 2021. Projected income for the period August 2020 to March 2021 was £1,489k, which represented a reduction of 33%. It was anticipated that the total remobilisation cost of phases 1 and 2 for the period August 2020 to March 2021 would be £483.7k and it was proposed that this cost should be met by monthly payments to Fusion in advance, as set out in the report. It was proposed also that the Council should continue to waive the management fee for the remainder of the current financial year, which would result in a further cost to the Council of £128.8k. It was acknowledged that Fusion's viability would be dependent on its other Local Authority customers providing support during the remobilisation period, and that further financial support may be required in the future.

It was noted that representations had been made nationally to the Department for Culture Media and Sport (DCMS) highlighting the need for financial support for leisure services and a bid had been submitted by the Ministry of Housing, Communities and Local Government and DCMS to HM Treasury for a total support package of £770m. A decision on the bid was expected by 7th August 2020. If successful, it was anticipated that Councils would be able to bid for funding to cover a percentage of the costs incurred in supporting leisure centres throughout the lockdown period and into remobilisation. Also, it was reported that a test case being led by the Financial Conduct Authority could result in insurance companies being required to pay business interruption claims.

Active Essex had commissioned Knight, Kavanagh and Page (KKP) Consultancy to support Essex Councils in evaluating the remobilisation plans of their leisure providers, and to provide benchmarking information.

A re-opening plan had been prepared for each of the leisure centres in the District, which included information about the reconfiguration of facilities; reduced capacities and capacity management; alterations to programmes, opening times, prices and membership packages; and all activities being booked and paid for on-line to assist with 'track and trace' guidance. Fusion had agreed to keep the Council's Leisure and Contracts Manager informed about the progress of implementation and to enable inspections to take place. In addition, Fusion had been requested to provide the Council with a comprehensive communication plan setting out how they intended to communicate with customers and stakeholders in a clear and timely manner. The Council would monitor the implementation of this plan.

Alternative Options to the proposed remobilisation plan had been considered and these included closure of the leisure centres; appointing another service provider; entering into a partnership with a local leisure trust; or providing the leisure service in-house. The advantages and disadvantages of each of these options were set out in the report.

In considering this report, Members of the Cabinet noted that prior to the period of lockdown the Council had agreed to an annual increase in some fees payable by leisure centre customers. These increased fees were in line with the retail prices index. The increased fees would be implemented when the centres re-opened and it was agreed that customers should be advised.

On 27th July 2020, Full Council had agreed to a budget provision of up to £700k being made available for future drawdown in order to support the remobilisation costs of Fusion between August 2020 and March 2021. Funding would be provided by a transfer from the Council's unallocated balance.

DECISION: That:-

- a. The position relating to the leisure industry during the Covid-19 pandemic be noted;
- b. The remobilisation plan prepared by Fusion for the phased re-opening of the leisure centres be approved;

- c. The payment of up to £483.7k for phase 1 and phase 2 and waiving of the management fee at a cost of £128.8k, for the period August 2020 to March 2021 be approved, subject to confirmation from Fusion that:
- 1) the centres will re-open in line with the dates provided within the report;
 - 2) all necessary Government guidelines are being followed and ensure the Council is fully briefed in this matter;
 - 3) they will provide clear targets for the response to customer enquiries and demonstrate delivery against those targets;
 - 4) they maintain a full open book approach to costings, sharing actual participation and income figures against the levels assumed by Fusion in calculating the financial support required;
 - 5) they will promptly inform the Council where figures improve, reducing the financial support requested and where necessary pay back any excess sums for that period;
 - 6) they continue to engage with Knight Kavanagh Page Consultants and where charges are identified to be in excess of the required cost, seek to mitigate that cost and alter the financial support requested from the Council;
 - 7) they keep the Council informed of progress with the Financial Conduct Authority's test case for payment of insurance compensation and where compensation is received, return to the Council such sums as have been paid by the Council and are covered by the insurer.
 - 8) they agree a clear communication plan with the Council's Corporate Director with responsibility for leisure and the Cabinet Member for Health and Wellbeing setting out why there is a delay in re-opening the leisure centres and how they intend to re-open these centres as detailed in the report.
- d. The Corporate Director with responsibility for leisure be authorised, in consultation with the Cabinet Member for Finance and Performance Management and the Cabinet Member for Health and Wellbeing, to approve further payments for support towards the remobilisation costs provided those payments are within the budget approved by Full Council on 27th July 2020.

REASON FOR DECISION: To enable the leisure provision to re-open within the Braintree District at the earliest opportunity; and to support the Council's leisure provider in line with guidance provided by the Local Government Association (LGA) and Procurement Policy Note (PPN) 04/20.

The meeting commenced at 12.00nn and closed at 12.40pm.

COUNCILLOR G BUTLAND
(Leader of the Council)