

East Herts Council – Key Decision Notice

Notice of key decision to be made by an individual under Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Reference Number: 20/01 KD

Taken by: Leader of the Council – Linda Haysey

Decision

Approval for a loan to be provided to the Council's leisure operator, Sport and Leisure Management Ltd (SLM) to fund the projected loss of income as a result of implementing a COVID secure environment for re-opening.

Date of Decision

7 August 2020

Reason(s) for decision

Sport and physical activity is an important contributor to physical and mental well-being for East Herts residents. The Council has recognised this by investing approximately £30,000,000 into improving leisure facilities and responding to the anticipated population growth. The Council is currently underway with the construction of the new Grange Paddocks Leisure Centre and progressing with a planning application for Hartham Leisure Centre. The business case for the investment for these centres was based on reducing the on-going deficit to the

Council from outdated leisure provision no longer suitable from a growing population in East Herts. It is important to re-engage residents and customers to re-build the customer base ready for these new facilities, minimising the risk of losing customer to competitors and getting back on track with the business plan. Providing a loan to SLM supports the re-opening of facilities.

Details of alternative options considered and rejected

A number of options have been explored including:

1. Opening all sites in July 2020, this is at a greater cost. A phased approach allows for a period of review of social distancing measures prior to opening joint use facilities ready for the academic year in September 2020.
2. Keeping all sites closed until April 2021 – the impact of this includes significant redundancy costs which are over double the amount of the recommended approach.
3. Extending the furlough scheme for the joint use facilities staff to the end of October with the Council topping up the scheme to 80% salary. This would incur a cost almost £100,000 more than the recommended option.
4. As this stage, termination of the contract has not been discussed.

Does the decision or report contain exempt information?

Yes, the draft report and appendix contain commercially sensitive information.

State nature of any declaration of conflict of interest made by any Executive Member who is consulted by the Member taking the decision

Not Applicable

State, in respect of any declared conflict of interest, whether any dispensation has been granted

Not Applicable

Contact Officer

Jess Khanom-Metaman, Head of Operations

jess.khanom-metaman@eastherts.gov.uk Ext 1693