

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 August 2020

Portfolio:	Leisure and Community
Subject:	COVID-19 Impact on Leisure Centres
Report of:	Director of Leisure and Community
Corporate Priorities:	Leisure Opportunities for Health and Fun

Purpose:

As a result of the COVID-19 impact, and in light of a changing economy, the Leisure Centre contract, both with regard to the agreed capital investment and the duration of the new contract have been reviewed to help determine the future financial implications for the Council.

The report sets out a range of options, with differing implications and levels of financial commitment required by the Council for consideration.

Executive summary:

At the 4 November 2019 Executive, it was agreed to award a 10-year contract for the management of Fareham and Holly Hill Leisure Centres to SLM, otherwise known as Everyone Active.

It also agreed to the capital investment required, particularly at Fareham Leisure Centre to help deliver improved revenue projections in the tender submission.

As a result of the COVID-19 crisis, and in light of a changing economy, there will be implications for the Council and the contractual arrangements it has with Everyone Active to operate both its Leisure Centres.

As the leisure sector recovers from the closure of its sites during the lockdown period and the potential economic recession in the future, this report seeks to present the potential risks and considers the financial implications for the Council.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) agrees to proceed with the capital expenditure of £6.81 million to enhance the Leisure facilities at both centres, but particularly at Fareham Leisure Centre
- (b) agrees the principle of the COVID -19 recovery deal proposed within the report between Fareham Borough Council and Everyone Active up to the amount of £1.83 million to enable the reopening of Fareham and Holly Hill Leisure Centres; and
- (c) delegates authority to the Director of Leisure and Community and the Deputy Chief Executive Officer to agree minor amendments to the deal following consultation with the Executive Member for Leisure and Community.

Reason:

This report is in response to the impact of the Covid-19 pandemic on the operation and development of the Council's two leisure centres currently operated by Everyone Active. It provides a financial solution to enable both leisure centres to reopen at the beginning of August 2020.

Cost of proposals:

The level of support required to enable Everyone Active to reopen the Council's leisure centres, namely Holly Hill Leisure Centre and Fareham Leisure Centre, following the COVID-19 lockdown period is up to £1.83 million.

In addition, the amount of £6.81 million capital expenditure remains the agreed cost of the enhancement works planned for Fareham Leisure Centre and Holly Hill Leisure Centre, due to be completed in Autumn 2021.

Appendices: None

Background papers: 4 November 2019 Executive – Award of Contract: Leisure Centre Operator (**Confidential report**)