

# Budget and Corporate Scrutiny Management Board Agenda

Tuesday 7 July 2020 at 5.45pm

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[Budget and Corporate Scrutiny Management Board - 7 July 2020](#)

**This agenda gives notice of items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.**

**1. Apologies**

To receive any apologies for absence.

**2. Minutes**

To confirm the minutes of the meeting held on 18 June 2020 as a correct record.

**3. Declarations of Interest**

(a) To receive any declarations of interest from members relating to any item on the agenda, in accordance with the provisions of the Code of Conduct and/or S106 of the Local Government Finance Act 1992.

(b) To receive any declarations of the existence and nature of any political Party Whip on any matter to be considered at the meeting.

**4. Additional Items of Business**

To determine whether there are any additional items of business arising which should be considered at the meeting as a matter of urgency.

## **Public Items**

### **5. Council Budget Update**

To consider the latest information presented to the meeting in relation to the Council's budget.

### **6. Update on Members ICT and Remote Committee Meetings**

To consider the current position in relation to member ICT and remote committee meetings.

### **7. Leisure Provision in Sandwell**

To consider an update on the current position of Sandwell's leisure services following the closure of leisure facilities due to COVID-19.

**David Stevens**  
**Chief Executive**

Sandwell Council House  
Freeth Street  
Oldbury  
West Midlands

#### **Distribution:**

Councillor L Giles (Chair);  
Councillors E M Giles, Moore, Rollins and Singh.

Contact: [democratic\\_services@sandwell.gov.uk](mailto:democratic_services@sandwell.gov.uk)

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## **Budget and Corporate Scrutiny Management Board**

### **Apologies for Absence**

The Board will receive any apologies for absence from the members of the Board.

# Budget and Corporate Scrutiny Management Board

Thursday 18 June 2020 at 5.45pm

**Present:** Councillor L Giles (Chair)  
Councillors E M Giles and Singh.

**Officers:** David Stevens (Chief Executive), Neil Cox (Director – Prevention and Protection), Elaine Newsome (Service Manager – Democracy), Suky Suthi-Nagra (Democratic Services Manager) and Surjit Tour (Director of Law and Governance and Monitoring Officer).

4/20 **Apologies for Absence**

Apologies for absence were received from Councillor Moore. The Chair, on behalf of the Board, wished him a speedy recovery.

5/20 **Matter of Urgency**

There were no additional items of business to consider as matters of urgency. The Chair notified the Board that he would be requesting reports to be brought to the next meeting in relation to meeting the financial challenges caused by COVID-19 and resourcing of Sandwell Leisure Trust.

6/20 **Declarations of Interest**

There were no declarations of interests declared at the meeting.

7/20 **Minutes**

The minutes of the meeting held on 19 February 2020 were agreed as a correct record.



5



## COVID-19 Reset and Recovery Planning

The Board considered the Reset and Recovery Framework that had been agreed by Emergency Committee at its meeting held on 27 May 2020 (Minute No. 34/20 refers). The aim of the Reset and Recovery Framework is to develop resourced business plans that would achieve the strategic outcomes set out in the Corporate Plan 'Big Plans for a Great Place', as approved by Council in March 2020.

The Council was implementing a phased approach to reset and recovery, while retaining flexibility to meet emerging challenges or changes in circumstances such as any future periods of lockdown. Currently the Council's activity was moving from the response phase to the recovery phase – initially the focus was on moving out of the lockdown situation. There was a need to ensure the safety of both staff and service users throughout this period and risk assessments were being undertaken to identify mitigating actions that may be required.

Looking ahead, it was clear that there was an opportunity to change the way in which the Council carried out its work and delivered services. Throughout the response phase of the pandemic, a high proportion of staff had successfully operated remotely working at home. The Council was capturing the lessons from staff throughout this period to understand what worked and how to address barriers that arose.

Following comments and questions from members of the Board, the following responses were made and issues highlighted:-

- As elderly people and people from black and ethnic minority backgrounds were disproportionately impacted upon by COVID-19 it was important to ensure these groups are considered across all aspects of reset and recovery.
- Counsel guidance commissioned by the Local Government Association advised that meetings of elected members should take place virtually whilst regulations are in effect. The practicality of holding meetings of full Council was an issue, officers were in contact with colleagues in other authorities to share learning about holding larger meetings online. Currently it was planned to re-commence full Council meetings in autumn 2020.
- Officers were working to ensure that all elected members had the necessary equipment to take part in online meetings – approximately 30 councillors required new equipment, which was in the process of being rolled out.

- The Council was working to reopen buildings in a safe way alongside staff and the Trade Unions. However, it was recognised that without significant changes in circumstances, such as a vaccine for COVID-19, buildings would not be able to accommodate the same number of staff as before the pandemic.
- Whilst it was important to re-open services such as cashiers to allow residents to pay bills, this had to be done in a way that was safe for both staff and customers. This required appropriate signage and equipment to be in place. It was noted that bills could still be paid at Post Offices throughout the COVID-19 lockdown.

The Board thanked all officers of the Council for their hard work throughout the COVID-19 pandemic.

The Chair offered a commitment from the Scrutiny function to support the reset and recovery activity going forward.

9/20

### **Executive Forward Plan**

The Board received the Executive Forward Plan for July 2020.

Meeting ended at 6.19pm

## **Budget and Corporate Scrutiny Management Board**

### **Declaration of Interests**

Members to declare:-


- (a) any interest in matters to be discussed at the meeting;
- (b) the existence and nature of any political Party Whip on any matter to be considered at the meeting.



**REPORT TO**

**BUDGET AND CORPORATE  
SCRUTINY MANAGEMENT BOARD**

**7 July 2020**

<b>Subject:</b>	Council Budget Update
<b>Cabinet Portfolio:</b>	Deputy Leader and Cabinet Member for Resources and Core Services and Inclusive Economic Growth
<b>Director:</b>	Rebecca Maher, Interim S151 Officer
<b>Contribution towards Vision 2030:</b>	
<b>Contact Officer(s):</b>	Alex Goddard <a href="mailto:alexander_goddard@sandwell.gov.uk">alexander_goddard@sandwell.gov.uk</a>

**DECISION RECOMMENDATIONS**

**That the Scrutiny Management Board:**

1. Consider the information presented to the meeting in relation to the Council's budget;
2. Identify any recommendations it wishes to make in relation to the information presented to it.

**1 PURPOSE OF THE REPORT**

- 1.1 At its meeting on 18 June 2020, the Budget and Corporate Scrutiny Management Board requested an update report on the Council's budget following the unprecedented COVID-19 pandemic.
- 1.2 Government guidance around funding is currently awaited and an up to date position will be presented to the Board at the meeting.

## **2 IMPLICATIONS FOR VISION 2030**

- 2.1 The Council's sound financial management, which is strengthened through the Scrutiny Management Board's consideration of budget-related reports, underpins all of the ambitions within the Vision for the borough.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The COVID-19 pandemic has had a significant financial impact on the current financial position of the council. This has been in the form of both additional expenditure and a loss of income from various sources.
- 3.2 The situation around COVID-19, and the Government's response to meet it, is changing frequently and guidance is awaited in relation to funding to meet the financial impact of the pandemic.

## **4 THE CURRENT POSITION**

- 4.1 An update based on the most up to date Government guidance and statements will be provided at the meeting.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 No consultation has been carried out in relation to this matter.

## **6 ALTERNATIVE OPTIONS.**

- 6.1 If the Scrutiny Management Board does not consider this matter then any potential recommendations and associated improvements may not be identified.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 These will be addressed in the presentation to the meeting.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 The Local Government Act 2003 places a requirement on local authorities to provide Members with regular financial monitoring. In Sandwell there is an established practice of budget monitoring and outturn reports to be reported to Scrutiny; this report is in addition to that regular reporting.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 An equality impact assessment is not required for this report.

**10 DATA PROTECTION IMPACT ASSESSMENT**

10.1 A data protection impact assessment is not required for this report.

**11 CRIME AND DISORDER AND RISK ASSESSMENT**

11.1 A crime and disorder and risk assessment is not required for this report.

**12 SUSTAINABILITY OF PROPOSALS**

12.1 The Council's budget is fundamental in providing sustainable services to the residents of the borough.

**13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

13.1 There are no specific health and wellbeing implications of this report.

**14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**


14.1 There are no specific impacts on Council-managed property or land of this report.

**Rebecca Maher**  
**Interim S151 Officer**

**REPORT TO**

**BUDGET AND CORPORATE  
SCRUTINY MANAGEMENT SCRUTINY BOARD**

7<sup>th</sup> July 2020

<b>Subject:</b>	Update on Members ICT and Remote Committee Meetings
<b>Cabinet Portfolio:</b>	Cabinet Member for Resources
<b>Director:</b>	Surjit Tour Director of Law and Governance
<b>Contribution towards Vision 2030:</b>	
<b>Contact Officer(s):</b>	<a href="mailto:Democratic_services@sandwell.gov.uk">Democratic_services@sandwell.gov.uk</a>

**DECISION RECOMMENDATIONS**

**That :**

1. The Scrutiny Management Board consider the current position in relation to member ICT and remote committee meetings.

**1 PURPOSE OF THE REPORT**

- 1.1 To provide the scrutiny board with an update on the developing governance and member support arrangements.

**2 IMPLICATIONS FOR VISION 2030**

- 2.1 Effective governance arrangements support the delivery of the Council's Vision 2030.

### **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 On 17<sup>th</sup> March, the Council's Resilience Manager, as the officer with responsibility for civil and emergency contingencies, recommended that the Emergency Committee provisions in the constitution should be enacted in light of the emerging Covid-19 situation.
- 3.2 The Emergency Committee membership is appointed by Council and is authorised to exercise council functions.
- 3.3 The Emergency Committee at their inaugural meeting on 18<sup>th</sup> March 2020 agreed temporary revisions to the key decision threshold, chief officer delegations, financial, procurement and contract procedure rules in order that the council was able to respond appropriately and safely. Where heightened officer delegations were introduced, advance consultation on any decision was undertaken with the relevant committee, for example, planning and licensing decisions, or the relevant Chair of Scrutiny board for executive functions. Statutory requirements for publication of decisions have been complied with. All decisions taken under delegated authority were reported through to Emergency Committee during public session, in line with the values of openness and transparency.
- 3.4 The Council introduced a weekly e-bulletin for Members to keep them apprised of emerging topics, the content of Emergency Committee agenda and up to date advice and guidance from partner and stakeholder organisations.
- 3.5 The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ("the Remote Committee Regulations") came into force on 4<sup>th</sup> April 2020. This new legislation enables Councillors and members of the public to attend and participate in meetings using technological solutions. The legislation is currently intended to remain in place until the 7<sup>th</sup> May 2021.
- 3.6 The Council opted to utilise Microsoft software, MS Teams (Teams) to support remote committee activity. The software was initially trialled with members of the Emergency Committee with a wider roll out to Cabinet and Scrutiny Board Chairs.

### **4 THE CURRENT POSITION**

- 4.1 Covid restrictions continue to be incrementally lifted nationally with the council responding accordingly. Following successful testing of MS Teams, the Emergency Committee at their meeting on 27<sup>th</sup> May agreed an interim calendar of committee meetings from June to September with the majority of committee meetings recommencing in July 2020. In

addition to the agreed programme, committee meetings including Ethical Standards, General Purposes and Audit and Risk Committees are being called in accordance with business need, with a full programme of meetings anticipated to be scheduled from September onwards. Agenda co-ordination meetings and committee briefings have been introduced as standard working practices

- 4.2 Engagement with members through the weekly e-bulletin will reduce as committee work programmes and regular all-member briefings hosted through Teams return the council's focus toward regular business activity.
- 4.3 Democratic and Member Services along with colleagues in ICT have been working to support the installation and testing of the Teams software with all remaining councillors so that they are able and confident in using the software functionality during meetings and other business related functions.
- 4.4 The support programme has been positively received and individual member needs have been identified and progressed. As with all new initiatives, the development and testing phase has highlighted a small number of issues to be addressed. Whilst the majority of members have reported positively on the implementation of remote committees, there are some who have advised of issues arising from device compatibility.
- 4.5 The Council currently has a hybrid scheme in place for the provision of computer equipment to Councillors. Members can opt to either utilise their personal computer equipment with security software applied or are issued with a corporately managed device to support them in their councillor role. An initial 17 members, since testing the remote committee software, have reported some limitations with existing devices which impact on connectivity into remote meetings. These include the age of devices along with challenges around accessing electronic papers during meetings. Having undertaken an assessment of member needs, a corporate provision of laptops has been agreed for those members who are encountering issues. This is currently being progressed with the ICT service contacting 7 members identified to agree the roll-out programme. The remaining 10 member accounts require some additional migration activity and for the limitation of any disruption these members are being contacted to agree a date for this work to be undertaken. The council will continue to review and address any additional upgrade requirements as they become identified.
- 4.6 Committee members experiencing any technical difficulties with accessing meetings through video conferencing can use the teleconferencing functionality within MS Teams to meet the minimum attendance requirements.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

5.1 Elected members have been engaged in discussions around ICT needs.

## **6 ALTERNATIVE OPTIONS.**

6.1 There are no alternative options to be considered at this time.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

7.1 There will be a maximum anticipated cost of £35,000 for any procurement of additional devices. Where existing devices can be repurposed, this avenue is being explored to limit costs to the organisation.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

8.1 These are outlined in paragraph 3.5 above.

## **9 EQUALITY IMPACT ASSESSMENT**

9.1 Where members have individual support needs in relation to attendance at remote meetings, these will be assessed and relevant arrangements implemented accordingly.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

10.1 None associated with this report.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

11.1 None associated with this report.

## **12 SUSTAINABILITY OF PROPOSALS**

12.1 The proposals are being considered to ensure that no councillor is disadvantaged during this period. When all Council Members are able to access meetings using an electronic solution and a Full Council meeting can be held the full programme of meetings will be restored.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

13.1 Whilst the coronavirus remains prevalent, arrangements will continue to be monitored and updated to reflect current and emerging issues.

**14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 None associated with this report.

**15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 Budget and Corporate Management Scrutiny Board have requested an initial position statement on the arrangements for elected members to attend and participate remotely in committee meetings.

**16 BACKGROUND PAPERS**

16.1 None associated with this report.

**17 APPENDICES:**

None.

**Surjit Tour**  
**Director of Law and Governance**



## REPORT TO BUDGET AND CORPORATE SCRUTINY MANAGEMENT BOARD

07 July 2020

<b>Subject:</b>	Leisure Provision in Sandwell
<b>Cabinet Portfolio:</b>	Cllr Maria Crompton – Safer Communities
<b>Director:</b>	Dr Alison Knight, Executive Director Neighbourhoods
<b>Contribution towards Vision 2030:</b>	 
<b>Contact Officer(s):</b>	Gemma Ryan Business Manager – Sport & Leisure

### DECISION RECOMMENDATIONS

**That;**

1. The Scrutiny Management Board note the potential pressures on the Council's leisure provision as a result of the closure of leisure facilities due to COVID-19.
2. The Scrutiny Management Board are provided with assurance that the Council are working in line with both Central Government and Local Government Association guidance regarding supporting leisure providers.

## 1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to update the Budget and Corporate Scrutiny Management Board on the current position of Sandwell's leisure services following the closure of leisure facilities due to COVID-19. The report will primarily focus upon Sandwell Leisure Trust as they operate the majority (nine of the 10) leisure facilities in Sandwell.

## 2 IMPLICATIONS FOR VISION 2030

- 2.1 Ensuring the sustainable delivery of leisure services in Sandwell, will provide local people with local opportunities to be active and to re-engage with their local community following the period of 'lockdown'. This will contribute to ambitions 2 and 5 of Sandwell's Vision 2030.

## 3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 Sandwell has 10 leisure facilities and two leisure operators, Sandwell Leisure Trust and Places Leisure.

Facilities operated by Sandwell Leisure Trust;

<b>Facility</b>	<b>Town</b>
• Haden Hill Leisure Centre	Rowley Regis
• Hadley Stadium	Smethwick
• Harry Mitchell Leisure Centre	Smethwick
• Langleigh Swimming Centre	Smethwick
• Portway Lifestyle Centre	Oldbury
• Smethwick Swimming Centre	Smethwick
• Tipton Leisure Centre	Tipton
• Tipton Sports Academy	Tipton
• Wednesbury Leisure Centre	Wednesbury

Facilities operated by Places Leisure;

<b>Facility</b>	<b>Town</b>
• West Bromwich Leisure Centre	West Bromwich

### 3.2 Current Contractual Arrangements

#### 3.2.1 Sandwell Leisure Trust

Services are operated on behalf of the Council by Sandwell Leisure Trust under a Management and Funding Agreement (*'the contract'*). The contract commenced on the 1<sup>st</sup> April 2004 and is for a period of 30 years. The Council were under obligation to provide a unitary payment (management fee) for the initial funding period of five years, this was extended for a further four years to 31<sup>st</sup> March 2013. The Council continue to provide Sandwell Leisure Trust with a management fee of circa £3,000,000 per annum. Notwithstanding the impact of COVID-19, the agreed unitary payments for the previous, current and next financial years are as follows;

	<b>Unitary Payment</b>
<b>2019/20</b>	£2,885,000
<b>2020/21</b>	£2,914,000
<b>2021/22</b>	£2,943,000
<b>Total</b>	£8,742,000

Note, this does not include funding provided by the Council for additional services at Portway Lifestyle Centre, the Free Swimming programme (note, this ended 31<sup>st</sup> March 2020 and it has not yet been confirmed whether it will continue) or any other contracts or services that Sandwell Leisure Trust receive Council monies for.

### 3.2.2 Places Leisure

The contract for the operation of West Bromwich Leisure Centre commenced on 2<sup>nd</sup> October 2012 and is for a period of 25 years. A management fee is paid by Places Leisure to the Council on an annual basis. The minimum management fee may be adjusted in accordance with the contract but will always result in a positive figure for the Council. Therefore, the Council receive a profit from the operation of West Bromwich Leisure Centre.

- 3.3 On the 20 March 2020 the government announced that a number of public buildings and services must close. This included leisure centres, defined within the guidance as “Indoor fitness studios, gyms, swimming pools or other indoor leisure centres”.

### 3.4 Government Guidance

- 3.4.1 In March 2020 the government published ‘*Procurement Policy Note 02/20 – Supplier Relief Due to COVID-19*’ (PPN 02/20). The guidance recommendations focus upon suppliers receiving their ‘usual’ payments. For SLT, their ‘usual’ payments are the monthly management fee. The guidance recommends that local authorities provide cash flow support by continuing to pay providers despite not receiving services. To qualify, suppliers should agree to act on an open book basis and make cost data available to the contracting authority during this period. They should continue to pay employees and flow down funding to their subcontractors.

The Council have continued to provide Sandwell Leisure Trust with their usual monthly management payment. The level of monthly management fee has not been adjusted during the period of closure. Therefore, the Council have provided Sandwell Leisure Trust with financial (cash flow) support in line with the government’s guidance, PPN 02/20.

The Council have requested written assurance and agreement, from Sandwell Leisure Trust, to providing 'open book' data that enables the Council to reconcile support provided. To date Sandwell Leisure Trust have provided verbal agreement but the Council are not yet in receipt of the required level of detail.

#### 3.4.2 Further to PPN 02/20 the Local Government Association (LGA) issued sector specific guidance on 29<sup>th</sup> April 2020, '*Options for Councils Supporting Leisure Providers Through Covid-19*'

The subsequent LGA Guidance suggests a number of other measures (where possible) that Councils could also implement. The guidance does state that leisure providers are under obligation to mitigate costs as much as possible. The LGA guidance also sets out that leisure providers must work on an 'open book' basis with local authorities. Appendix 1 provides a summary of the guidance.

#### 3.5 **Request for Financial Support – Sandwell Leisure Trust**

Sandwell Leisure Trust have requested support to cover costs and losses during the period of closure and have provided further financial information as part of the Council's supplier questionnaire.

Please note that specific financial information from Sandwell Leisure Trust is commercially confidential.

The information provided was clarified and assessed by officers, whilst taking into account that Sandwell Leisure Trust had accessed the government's Job Retention Scheme to furlough the majority of their staff. Based on the specific information provided, it was felt that the continued payment of the monthly management fee would mitigate any immediate financial risk for the initial period of closure to 30<sup>th</sup> June 2020. Officers are continuing to work with Sandwell Leisure Trust to understand the impact and level of support required.

#### 3.6 **Request for Financial Support – Places Leisure**

Places Leisure have requested support from the Council for the period of closure and for the ongoing impact. Council officers are currently in regular communication with Places Leisure's senior representatives to determine the level of support required.

## 4 THE CURRENT POSITION

- 4.1 Sandwell Leisure Trust have accessed the Governments Job Retention Scheme and the majority of their staff remain furloughed.
- 4.2 Sandwell Leisure Trust launched a fundraising campaign and to enable donations from their members. They set up a fundraising link on their homepage with the slogans 'Protect your leisure trust', 'Support your SLT'.

Their website contained the following information:

*The COVID-19 Pandemic has resulted in the Government closing all of our Leisure Facilities to help delay the spread of the virus, this has had a catastrophic impact on the income we collect to run an award-winning service and with no income from our customers there is a significant threat to our financial stability.*

*How you can help – lots of you have sent messages of support and requests to help out in these uncertain times and we welcome any donation/s during this period for as long as you can, so we may continue to operate our centres in the future and help everyone to live healthy lives.*

As of 26 June 2020, a total of £3,152.00 had been raised.

- 4.3 Sandwell Leisure Trust have highlighted the anticipated ongoing financial impact of COVID-19 have requested that the Council provide assurance for ongoing support.
- 4.4 Due to the ongoing impact, Sandwell Leisure Trust have begun communication and consultation with their staff and Trade Unions regarding staff Terms and Conditions. Sandwell Leisure Trust are currently proposing a two year pay freeze for all of their staff. A deed of variation to the contract in 2012 removes Sandwell Leisure Trust's obligations to the TUPE Plus Agreement that was previously in place. This provides Sandwell Leisure Trust with the autonomy to make decisions regarding staff Terms and Conditions without approval from the Council, notwithstanding their membership with the National Joint Council.
- 4.5 As outlined in section 3.4.1 above, the Council are not yet in receipt of the required 'open book' data to enable officers to fully assess and reconcile support already provided (continued monthly management fee payments) and agree any future financial support. Sandwell Leisure Trust have committed to providing the information and it is expected that this shall be forthcoming at the earliest opportunity.

#### 4.6 Sandwell Leisure Trust Draft Re-Mobilisation Plan

In preparation for the government allowing the re-opening of leisure facilities, Sandwell Leisure Trust have presented a draft plan for the re-opening of facilities to officers, including Public Health and the Council's Reset & Recovery Board. There is an acknowledgement that this must be managed on a phased approach to balance income and expenditure, whilst ensuring residents have access to leisure services.

The rationale primarily is based upon the configuration of buildings to enable social distancing and to ensure provision in each of Sandwell's six towns. The plan has been developed in line with government and leisure sector approved guidance.

Sandwell Leisure Trust is now awaiting further Government advice on when the leisure sector will be allowed to re-open.

Note, this is a draft proposal at this stage and is subject to change.

#### 4.7 Sport England Support and Review

Sport England recognise the significant difficulties and impact that the leisure industry faces as a result of the closure of facilities. Sport England are concerned about the long-term impact on people's health and wellbeing should facilities be unable to re-open. As a result of their concerns they are offering to provide consultancy support to Local Authorities to support with the management of leisure services through the impact of COVID-19 and support with future planning. Sport England approached the Council to offer support and assigned a firm of consultants to work with Sandwell Council. Sport England are providing a grant of £5,000 towards this work.

### 5 **CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

Senior management within the Council, portfolio holder and the Leader have been regularly updated regarding the position with both operators.

Regular meetings and weekly informal discussions are taking place with both Sandwell Leisure Trust and Places Leisure. This includes weekly meetings with Places Leisure senior management representatives. Monthly meetings are taking place with Sandwell Leisure Trust and senior managers within the Council.

Sandwell Leisure Trusts Board have met with the leader of the Council and the portfolio holder.

Sandwell Leisure Trust and Places Leisure are responsible for communication with their staff and are keeping employees regularly updated.

## **6 ALTERNATIVE OPTIONS.**

A range of alternative options are being considered by officers and the consultants and a full options appraisal will be carried out. Following assessment and review of the actual financial impact of closure realistic options shall be presented to senior management and members. This will include realistic proposals for the sustainable delivery of leisure services in the short, medium and long term.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

Whilst discussions are ongoing to clarify the financial impact to both leisure providers, if requests for financial support for leisure services were paid in their entirety this would be at a significant cost to the Council.

NB: details provided are being checked with the operators to agree reasonable levels of support, therefore the total financial impact for the Council could reduce or increase.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

The contractual arrangements with both leisure operators are being considered and reviewed in line with requests for support. This includes considerations for the agreement of financial support for the period of closure and future affordable and sustainable delivery models.

## **9 EQUALITY IMPACT ASSESSMENT**

Not applicable for this report.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

All information provided by the leisure operators is commercially sensitive therefore cannot be shared publicly or with any representative or organisation outside of the Council without non-disclosure agreements in place.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

Not applicable for this report.

## **12 SUSTAINABILITY OF PROPOSALS**

Proposals currently being developed.

**13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

Consideration is being given to our leisure services current and future contribution health and wellbeing outcomes.

**14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

The Council owns all leisure facilities in Sandwell and must consider the implication of the facilities remaining closed should the operator(s) be unable to continue to operate. Long term closure due to the absence of an operator would require the council to maintain the buildings to avoid any significant maintenance issues.

**15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

1. Both Sandwell Leisure Trust and Places Leisure have been impacted by the closure period due to loss of income
2. Both operators have successfully accessed the government's Job Retention Scheme for their staff
3. Both operators are requesting significant financial support from the Council
4. An 'open book' arrangement as recommended by government and Sport England is essential in reaching an agreement regarding the provision of financial support.
5. Once a full assessment of both operator's financial requests can be concluded the level of support that the Council are able to provide can be considered.

**16 APPENDICES**

Appendix 1: Summary of LGA Guidance

**Dr Alison Knight**  
**Executive Director – Neighbourhoods**



## Summary of LGA Guidance

***“The following actions will support a partnership approach”;***

Adopting the recommendations and approach recommended in PPN 02/20.

Supporting the net subsidy position utilising the Open Book approach recommended in the current PPN 02/20 run from service closure on 20 March to the date at which ‘full normal service and income levels have been achieved’ to ensure fairness and transparency. Leisure providers will be under an obligation to mitigate costs as much as possible.

Holding regular review meetings with the operator to monitor and manage the joint response to the crisis.

Understanding that organisations have had to furlough most of their staff resource, so reconciliation under the Open Book specific to the contract should be quarterly to minimise resource impact.

Understanding that leisure operators including trusts, are not eligible for the vast majority of Government-backed support schemes, nor those of Sport England.

Taking steps to understand the potential costs to their council in present and future budgets should their leisure partner be unable to continue.

Noting that under ‘Change In Law provisions’ (where applicable) the council is fully responsible for all the costs of hibernation and supporting the ramp back up to normal working.

Agreeing hibernation costs with the operator (where relevant), including security, plant checks etc.

***“Councils may also consider”;***

funding the operator to pay staff their normal contracted remuneration, while also ensuring that the operator is maximising the value of the Government's job retention scheme
agreeing payments to the operator to ensure that the operator's cash flow position is protected.
<b><i>"Some Councils are already doing the following";</i></b>
waiving the sum contracted to be paid to the council by the leisure provider on a monthly basis
offering their leisure contractors an interest free loan or a grant to cover the months of closure and concession on future measures when allowed to re-open
deferring any rental costs for the sites they operate on
paying approximately one third of this year's operating subsidy, as an advanced payment in April, covering the period April – June 2020
offering to fund all staff related costs that are required to attend the centres to perform building checks, therefore complying with building checks and contractual obligations

proposing to pay the anticipated costs of maintenance, utilities, cleaning, finance charges, professional fees, irrecoverable VAT and a proportion of central overheads, subject to an open book reconciliation being undertaken to determine the actual cost when the centres re-open.