



APSE Briefing: COVID-19: Sport England funding support to local authority leisure

To all contacts in England for information only to Northern Ireland, Scotland and Wales

Key Points

- Sport England is offering consultancy based grants of up to £5000 including VAT to support local authorities and their leisure providers
- Grants can cover contract renegotiation during lockdown and / or remobilisation planning
- APSE Solutions is available to provide support for interested Councils

1. Introduction

Local authority leisure is facing a period of uncertainty with the possibility of the failure of some trusts and leisure contractors and substantial further financial pressure when facilities reopen with reduced numbers. Sport England is providing support by way of consultancy grants

2. Context

The Government has now published the outline of a roadmap moving forward for tackling the Covid-19 pandemic. Whilst some of the detail is awaited, it is clear that gyms and swimming pools are not to be opened in the first tranche and it seems likely that when the green light is finally given, facilities will be expected to ensure social distancing and regular disinfection / cleaning regimes.

APSE has been working on remobilisation plans for many council service areas, including leisure and will be issuing guidance shortly. What is now apparent is that simply re-opening facilities presents few major problems and in-house leisure can be back up and running relatively quickly, hopefully with a couple of weeks' notice beforehand.

3. The issue

Approximately 50% of local authority leisure facilities are run via an external contract, 23% via a trust and 25% directly in-house. Over the past 10 years, most councils have been moving to a position where they provide the facility buildings but contractor management fees have been progressively pared back to a position where many have been removed. In some cases, the contractor pays the council for the privilege of running their facilities and taking a profit.

With total shutdown, income from casual visits and bookings has dried up. Most have stayed collection of gym and swim memberships and some have experienced cancelled direct debits approaching 40%. With general anxiety amongst the population, it is unlikely that people will return 'en masse' to gyms and instead there will be a general growth from around 30% attendances over the forthcoming year.

This has caused two sets of issues:

1. Contract difficulties with the contractor or trust where externalised
2. A need to remodel the leisure service over the medium term, at least the next year.

4. Opportunities

Faced with the possibility of significant failures amongst local authority leisure operators, Sport England is providing support by way of consultancy grants. Many trusts have cash reserves of only 6 to 8 weeks and even with furloughing of staff, need to negotiate different arrangements with their council client. The situation is similar for contractors and to date requests for between £250,000 and £350,000 against the council client have been made to cover operating costs. **These requests have no basis in law**, although they do demonstrate the magnitude of the financial crisis.

Sport England is offering up to £5,000 (including VAT) of flexible consultancy funding to cover:

A. Lockdown/Closure

Regardless of the delivery models in place Sport England aims to support positive discussion and assist resolution of the immediate challenges created by the lockdown / closure. The scope of this support includes;

- Understanding local authorities' and leisure providers' situations, given the Covid-19 outbreak and exploring challenges for:
 - Facilities operational but currently closed
 - Facilities under construction
 - Facilities and services in the process of a procurement exercise
 - Work at strategic outcomes / feasibility planning stage
 - Any wider context
- Supporting local authorities and leisure providers on financial reconciliation / negotiation during the closure period
- Identifying and discussing any need to review the partnership agreement (services specification, performance management framework, management fee / funding agreement)
- Understanding contractual / legal arrangements and liabilities between local authority and service delivery partners (recognising the need for internal or external legal advice)
- If required, preparing a costed action plan for these areas over the period of the Covid-19 crisis whilst leisure facilities are closed, in agreement with the local authority, service deliver partner and any other key stakeholders

B. Mobilisation (Social Distancing/Full Operation)

We recognise that longer-term support will also be required as restrictions are lifted. When local authorities and their leisure providers are ready support is available to help discuss, review and implement the re-opening of facilities / for local communities

- Reviewing intervention options for services post Covid-19 restrictions, and establishing outcomes and affordability
- Supporting discussions towards an amended service delivery and financial agreements between the local authority and service provider for the mobilisation phase
- Supporting the development of service delivery and financial plans in the context of the new economic and social conditions, including
 - facility development opportunities (capital and revenue)
 - impact of social distancing

5. Financial Support

There are two options for financial support.

1. A direct award can be made to a local authority which can then procure the services of a specialist consultancy directly. Funding would be paid by Sport England by BACS to the local authority on receipt of a claim form and supporting invoice and then the local authority would pay the specialist consultant.
2. Sport England can procure small pieces of work directly with a specialist consultant on behalf of a local authority and payment would be made by Sport England to that consultant directly.

Note: A LA can make more than one application – e.g. they may want support for the lockdown period as well as then a separate application for mobilisation.

6. Application Process

Regardless of the funding route, an initial conversation with a consultant is required to explore the scope of work described above and to gain answers to the headings below. If the consultant and Local Authority are both happy to proceed, the following information should be sent to facilitiesupport@sportengland.org:

- A. Local authority name
- B. Contact name of officer / lead, their position, address, tel, email
- C. Total project cost as agreed with the consultant with details of any available partnership funding for local authority, (partnership funding is welcomed but not a pre-requisite)

A letter of application is also required on council letterhead addressed to Emma Bernstein, Capital Investment, Sport England, 21 Bloomsbury Street, London, WC1B 3HF which sets out the following areas:

- A. Background
 - Number of facilities

- Operating arrangement (In-House, trust, leisure management contractor, CIC)
 - Type of contract (DBOM, leisure operating contract, lease)
 - Contract length and annual management fee - subsidy or payment to council
 - Is the contract based on SE procurement toolkit guidance?
 - Current position with service delivery partner?
 - Key issues and risks
- B. Objective of this work
- C. Methodology
- D. Output(s)
- E. Cost with partnership funding if available
- F. Timescales

This should be signed and scanned to facilitiesupport@sportengland.org where it will be reviewed and assessed. If successful, an award letter will be issued with standard lottery funding conditions, and an acceptance form will need to be signed and scanned back to SE to secure the funding before the work can start.

7. APSE Support

APSE Solutions, the consultancy arm of APSE, can assist local authorities with all aspects of leisure service delivery. From contract review through to service planning and development, Solutions has access to a wide range of expert support. This can include legal advice where appropriate, as well as consultancy and interim management.

The Solutions team also has business planning and commercial knowledge and can help with longer term organisational and business planning. For a no obligation discussion and help to establish what you might require contact the Head of APSE Solutions, Andy Mudd. Email amudd@apse.org.uk or phone 07740909851

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