

FBC – Revenue Growth Bid 2020/21

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Appendix 1: Additional Resource for Fylde Coast YMCA as a result of the impact of COVID-19.

Description of Scheme:

1. Background

Fylde Council supports the operations of the Fylde Coast YMCA in providing pool and leisure facilities over the following centres:

- St Annes pool and gym – The facility is owned by Fylde Council. The council let a 12-year leisure contract with accompanying building lease to the YMCA from 1st September 2010. The approved revenue budget for 2020/21 includes provision for a contract subsidy payment to the YMCA in respect of the operation of St Annes pool/gym in the sum of £135,436 per annum.
- Kirkham Rural Splash – The facility has been transferred from Fylde Council to the YMCA. There is a Service Level Agreement with the YMCA in respect of the operation of the facility for a period of 5 years effective from 1st April 2019. The approved revenue budget for 2020/21 includes provision for a subsidy payment to the YMCA in respect of the operation of Kirkham Rural Splash in the sum of £40,802 per annum.

2. Impact of COVID-19

On Friday 20 March 2020, the Government announced the temporary closure of all gyms and leisure centres (along with pubs, clubs, restaurants, cafes) as part of its COVID-19 response to stop the spread of infection. This included and affected all the YMCA Fylde Coast Health and Fitness Centres.

These measures will significantly impact on the finances of the YMCA in the short to medium term. The YMCA has taken advantage of the Government's job retention scheme which pays 80% of the wages of staff. It has also benefitted from a retail, hospitality and leisure grant of £25,000 for Kirkham Rural Splash. St Annes pool and gym has a rateable value of over £51,000 so does not qualify for such a grant. Leisure trusts such as the YMCA are not eligible for the Government's £750 million for frontline charities, as they are not deemed 'small' nor 'delivering frontline services'

3. Why intervene?

The Local Government Association has recently published guidance entitled, '[Options for councils in supporting leisure providers through COVID-19](#)'. The guidance recognises that leisure providers are currently falling between the cracks of most announced support packages. Leisure trusts are most at risk because they are charities, societies or community interest companies (with a public benefit asset lock) and as such do not distribute profits. Currently leisure providers are exempt from most COVID-19 emergency support funding.

The guidance goes on to state that 'if the leisure sector is not sustained through this crisis, the re-mobilisation of public leisure provision will be significantly affected, with facilities unable to open and clubs and voluntary organisations unable to re-start activities for communities. There will be additional costs to the public purse through re-procurement, TUPE¹ing staff, or establishing new delivery mechanisms whilst facilities remain closed for longer periods. There will be an impact on the social and health benefits to communities at a time when these will be most needed.'

¹ [The Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#)

4. What assistance is requested?

The financial projections for both St Annes Pool & Kirkham have been submitted by the YMCA based on a 3-month closure period from the start of April to the end of June. However latest indications are that it may be around late August before the government lifts the restrictions on the operation of gyms and leisure facilities. Even then there will need to be social distancing measures in place which will likely add cost and impact on revenue.

An overall income reduction of 60% over the year 2020/21 is likely to be the outcome based on latest projections, with St Annes Pool projected to have a deficit of £-107,242 and Kirkham £-117,015, a total of £-224,257. This is calculated on the basis of a minimum of 3-month closure period with patronage gradually returning to pre closure levels over several following months. When combined with other losses incurred by the YMCA over the same period, these losses are not sustainable. The YMCA has requested a contribution to support this deficit in the sum of £113,000*.

*This figure has reduced to a request for £100,000 after receiving a grant and if the losses are less funds will be refunded.

Every effort is being made to identify other sources of financial grant assistance.

If the council is minded to support the request from the YMCA, a grant of £100,000 is recommended.

5. Summary of revenue costs

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£100,000