

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	FINANCE AND DEMOCRACY COMMITTEE	29 MARCH 2021	8

ADDITIONAL RESTRICTIONS GRANT BID – FYLDE COAST YMCA

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report provides details of a request from the YMCA for a grant award from the Additional Restrictions Grant (ARG) fund of up to £100,000 to ensure the financial viability of the Trust during the third re-opening and recovery of facilities after COVID pandemic lockdown regulations.

RECOMMENDATIONS

The Committee is requested:

- To approve a £100,000 award to the Fylde Coast YMCA from the Additional Restrictions Grant fund.

SUMMARY OF PREVIOUS DECISIONS

Finance & Democracy Committee 22 June 2020 consideration of a Revenue Bid

Following consideration of this matter, it was RESOLVED:

To approve an unfunded addition to the Revenue Budget in 2020/21 in the sum of £100,000 to support the YMCA through the COVID 19 pandemic.

CORPORATE PRIORITIES

Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

REPORT

- Fylde Council has arrangements in place with the Fylde Coast YMCA to provide pool and leisure facilities at two key locations:
 - 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 2021/22 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 2021/22 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. A request was made, and granted, on June 22nd, 2020 by the YMCA for additional support to both facilities because of the COVID 19 pandemic, this was funded from grants awarded to the council to mitigate the impact of the pandemic. The request was for up to £100,000 of financial support based on forecasts and data available at the time related to the pandemic with a predicted re-opening of the facilities in July 2020. The path the pandemic has taken since then is dramatically different than what was forecast in June 2020.
3. 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. Further closures have been imposed under government regulations in November 2020 and again since January 5th, 2021. Over the last 12 months the facilities have been closed for over 7 months, during the period they have been able to operate restrictive measures have been in place impacting significantly on income.
4. The YMCA, along with all large leisure operators, have taken advantage of the furlough scheme and other central government grants. However, the impact has been so significant on what is a crucial sector of the economy that a dedicated scheme for additional support to leisure trusts was announced. The [National Leisure Recovery Fund](#) (NLRF) operated by Sport England on behalf of the government. The fund is limited to £100 million and targeted at support to eligible public sector leisure centres that will reopen to the public, giving the sport and physical activity sector the best chance of recovery to a position of sustainable operation over the medium term.
5. The YMCA was entitled to make an application to the NLRF through the council and was awarded a £149,000 grant from the NLRF. There is a report to the Finance & Democracy Committee on March 29th, 2021 outlining the details of the NLRF grant award. However, the large operational costs and losses experienced by the YMCA over the last 12 months are greater than the support that has been available to date and a further request for support in the 2021/22 financial year has been submitted by the YMCA.
6. There has been national concern that 'if the leisure sector is not sustained through the 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, the transfer of 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.'
7. Fylde, like almost all other local authorities, has the health and wellbeing of the population as a top priority, the benefits from a healthy lifestyle are well documented and impact on physical, mental, and spiritual welfare. It is essential that large facilities operated by not-for-profit trusts through the council are retained to ensure that everyone has access to convenient and affordable leisure facilities.
8. The financial projections for both St Annes Pool & Kirkham have been submitted by the YMCA based on the three closure periods over the last year and the recovery from April / May in accordance with the Road Map. The figures show an overall income reduction (on the actuals for 2019/20) of 86% over the year 2020/21 and 45% for 2021/22 based on latest projections, with St Annes Pool projected to have a deficit of £64,326 and Kirkham £47,499, a total of £111,425. This is calculated based on the closure periods with patronage gradually returning to the pre-closure levels over several months after re-opening. When combined with other losses incurred by the YMCA since March 2020 the financial position of the trust is unsustainable. The YMCA has requested a contribution to support this deficit in the sum of £100,000.
9. The additional support is necessary to ensure that the YMCA can remain financially solvent through the recovery period with an anticipated long-term impact on the facilities even after the re-opening of the dry side facilities in April and the pools from May 1st, 2021. Many other leisure trusts operating council owned facilities have found it necessary to obtain additional support from the local authority to remain financially viable throughout the re-opening and recovery. The request is for up to £100,000 that can be funded from the Additional Restrictions Grant at Fylde.
10. The Additional Restrictions Grant (ARG) is a discretionary fund that has been made available to all local authorities for allocation schemes to support local businesses that cannot access other national grant funding, or have exceptional circumstances, or to provide additional support to larger priority local businesses which are important to the local economy in addition to other funding streams. The ARG is also aimed at providing longer

term economic recovery after the pandemic and can be allocated up to March 2022.

11. The ARG scheme has changed since it was first introduced in October 2020 with a greater focus on making awards as soon as possible to support local businesses through the pandemic rather than hold onto the grant. The ARG fund was topped up when the third lockdown was announced from January 2021 and the latest announcement in the March budget included further ARG allocations, but they will be subject to the existing fund being spent or allocated for schemes.
12. The ARG fund at Fylde has been given £2.9 million to date with just over £2 million already allocated to local businesses and community organisations, there will be a further allocation proposed for a town centre vacant premises scheme and several other support schemes are being developed. The fund can be used to award a grant to the YMCA as a 'large priority local business important to the local economy'. Members are asked to consider approving the £100,000 additional support to be funded from the ARG.

IMPLICATIONS	
Finance	An award from the ARG fund of £100,000, is within the current capacity of the fund based on unallocated funds at the time of publishing the report.
Legal	The ARG technical guidance includes discretion to award grants from the fund to larger priority businesses.
Community Safety	No implications arising from this report.
Human Rights and Equalities	No implications arising from this report.
Sustainability and Environmental Impact	No implications arising from this report.
Health & Safety and Risk Management	No implications arising from this report.

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
F&D Committee Report	June 2020	www.fylde.gov.uk
National Leisure Recovery Fund (NLRF)	December 2020	NLRF Fund Guidance
Additional Restrictions Support Grant	March 2021	ARG March 2021 Revision