

**REPORT TO: STRATEGY & RESOURCES**  
**Date: 6<sup>th</sup> April 2021**  
**TOPIC: LEISURE CONTRACT PAYMENTS**  
**REPORT BY: CONTRACTS DELIVERY MANAGER**

## 1 INTRODUCTION

- 1.1 Under the terms of the interim leisure contract between Parkwood Leisure and North Devon Council (NDC) in line with Government PPN Guidance, Parkwood can claim for financial support from NDC to help cover losses incurred due to Government imposed restrictions on the leisure industry.
- 1.2 To date, NDC has made payments to Parkwood Leisure totalling £217,000 to cover losses for the period April–September 2020.
- 1.3 NDC was successful in its application to the Sport England administered National Leisure Recovery Fund for £180,000. These funds were passed on to Parkwood to cover losses from November 2020 through to February 2021 in line with the Sport England funding agreement.
- 1.4 Parkwood have now issued claims to the council for further payments for the months of February (partially covered by the National Leisure Recovery Fund grant) and March 2021. This report recommends that NDC agree to make payments to cover these latest claims.

## 2 RECOMMENDATIONS

- 2.1 That North Devon Council makes a grant payment of £59,000 to Parkwood Leisure to cover losses experienced in the months of February & March due to Covid 19.

### 2.2 REASONS FOR RECOMMENDATIONS

- 2.3 To ensure continuation of service, prevent job losses and provide community leisure facilities for thousands of North Devon residents.

## 3 REPORT

- 3.1 The interim leisure contract between NDC and Parkwood Leisure contains clauses to address difficulties caused to both client and contractor by the COVID 19 pandemic. These clauses were added to the leisure contract through

a deed of variation in accordance with central government Public Procurement Guidance Note PPN02/20.

- 3.2 The contract clauses mentioned at 3.1 provide a mechanism for Parkwood to submit monthly claims to NDC for losses experienced during the months of April – June 2020 (defined as the COVID Relief Period). The COVID Relief Period can be extended by mutual agreement between the two parties and this was done in October to allow further payments to be made by NDC to Parkwood to cover losses for June and July 2020 and then again in December 2020 to allow further claims and to cover losses incurred in August and September 2020.
- 3.3 In December, an application was made by NDC to the National Leisure Recovery Fund for £180,000 to cover losses during the further lockdown period. The application was successful and the funds were paid over to Parkwood in accordance with the funding agreement.
- 3.4 Parkwood's most recent claims, which take into account the National Leisure Recovery Fund grant from Sport England and business grants administered by NDC total £33k for February and £26k for March.
- 3.5 The implications of NDC not continuing with financial assistance to keep the leisure contract viable and Parkwood invoking the contract termination clause were outlined in a previous report to the strategy and resources committee in October 2020.

#### 4 RESOURCE IMPLICATIONS

- 4.1 The financial support for February and March had been included in NDC financial projections and can be covered in part using some of the £1.57 million Covid-19 support grant from central government provided to NDC towards additional costs being incurred.
- 4.2 Sport England has awarded a further £12k to NDC through the National Leisure Recovery Fund, so this can also be used as a contribution towards the February and March losses.
- 4.3 As noted in the October Strategy & Resources report entitled "Leisure Contract Payments", Parkwood are currently, unable to claim government support for losses in revenue.

#### 5 EQUALITIES ASSESSMENT

- 5.1 No equality issues anticipated.

## 6 CONSTITUTIONAL CONTEXT

Article or Appendix and paragraph	Referred or delegated power?
Part 3, Annexe 1.1(d)	“Delegated”

## 7 STATEMENT OF CONFIDENTIALITY

7.1 This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

## 8 BACKGROUND PAPERS

8.1 The following background papers were used in the preparation of this report:

- Urgent Decision Notice dated 30<sup>th</sup> April 2020
- Urgent Decision Notice dated August 2020
- Strategy and Resources report October 2020 entitled “Leisure Contract Payments”
- Strategy and Resources report December 2020 entitled “Leisure Contract Payments.”

The background papers are available for inspection and kept by the author of the report.

## 9 STATEMENT OF INTERNAL ADVICE

9.1 The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

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Reference: Document5

Date: 29/03/21