



Author/Lead Officer of Report: *Lisa Firth – Director of Culture*

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Report of: *Eugene Walker – Executive Director of Resources*

Report to: *Leader*

Date of Decision: *2nd March 2021*

Subject: To grant authority to accept external funding into the Council from Sheffield City Region for the purpose of reopening and operating Ponds Forge

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|--|---|--|
| Is this a Key Decision? If Yes, reason Key Decision:- | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| - Expenditure and/or savings over £500,000 | <input checked="" type="checkbox"/> | |
| - Affects 2 or more Wards | <input type="checkbox"/> | |
| Which Cabinet Member Portfolio does this relate to? Finance, Resources and Governance and Culture Parks & Leisure | | |
| Which Scrutiny and Policy Development Committee does this relate to? Environmental Wellbeing Scrutiny and Policy Development Committee | | |
| Has an Equality Impact Assessment (EIA) been undertaken? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| If YES, what EIA reference number has it been given? <i>(Insert reference number)</i> | | |
| Does the report contain confidential or exempt information? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: | | |

Purpose of Report:

- The Covid-19 pandemic has had a significant impact on Sheffield City Trust (SCT) ability to generate income from events at Ponds Forge and without additional funding from SCC it would not have been possible to re-open Ponds Forge.
- Therefore, a decision was taken on the 23rd September to agree an additional package of funding support to SCT in order to enable them to reopen Ponds Forge.

- Ponds Forge is deemed to be an economically significant asset for the city and the region, as a result the Sheffield City Region (SCR) have agreed to provide financial support for the reopening of Ponds Forge. The funding is part of the Gainshare Agreement between SCR and Central Government.
- Sheffield City Council has had confirmation that the total amount of funding available from SCR is £2.388m (£1.194m revenue and £1.194m capital). The grant will contribute to the reopening costs of Ponds Forge in 20/21 and 21/22. There are limited requirements placed on SCC, in order to draw down the funding the Chief Finance Officer is required to write to the SCR and confirm that the funding has been defrayed by SCC, the Council will be the Accountable Body for the funding.

Recommendations:

That the Leader considers the detail in this report and approves;

1. SCC becoming the Accountable Body for third party liabilities and payments of the grant to SCT up to a value of £2.388m on the basis outlined in this report.
2. Notes that arrangements will be put in place to finalise the funding arrangements and put in place any required monitoring/reporting arrangements.
3. Delegates' authority to the Director of Culture and Environment, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services to take such steps not already delegated as they deem appropriate to achieve the outcomes set out in this report.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

| Lead Officer to complete:- | | |
|---|--|---|
| 1 | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required. | Finance: Ryan Keyworth/ <i>Chris Nicholson</i> |
| | | Legal: David Hollis |
| | | Equalities: N/A |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> | | |
| 2 | EMT member who approved submission: | <i>Eugene Walker</i> |
| 3 | Cabinet Member consulted: | <i>Cllr Terry Fox Cllr Mary Lea</i> |
| 4 | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. | |
| | Lead Officer Name: <i>Lisa Firth</i> | Job Title: <i>Director of Culture</i> |
| | Date: 05.02.2021 | |

1. PROPOSAL

- 1.1 The Covid-19 pandemic has had a significant impact on Sheffield City Trust (SCT) ability to generate income from events at Ponds Forge and without additional funding from SCC it would not have been possible to re-open Ponds Forge.

Therefore, a decision was taken on the 23rd September to agree an additional package of revenue and capital funding support to SCT in order to enable them to reopen Ponds Forge.

Ponds Forge is deemed to be an economically significant asset for the city and the region, as a result the Sheffield City Region (SCR) have agreed to provide financial support to SCC to meet the costs for the reopening of Ponds Forge agreed on the 23rd September other than through use of reserves. The funding is part of the Gainshare Agreement between SCR and Central Government.

Sheffield City Council has had confirmation that the total amount of funding available from SCR is £2.388m (£1.194m revenue and £1.194m capital). The grant will contribute to the reopening costs of Ponds Forge in 20/21 and 21/22. There are limited requirements placed on SCC, in order to draw down the funding the Chief Finance Officer is required to write to the SCR and confirm that the funding has been defrayed by SCC, the Council will be the Accountable Body for the funding.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The re-opening of Ponds Forge increases the number of leisure facilities available in Sheffield and provides increased access to physical activity for all the residents, community groups, students and clubs, including the use of the international 50m pool and diving facility.

3. HAS THERE BEEN ANY CONSULTATION?

Following the decision to re-open the majority of venues in the city further work has been undertaken to understand the views of residents, community organisations, underrepresented groups, users of Ponds Forge and local businesses.

Feedback has been supportive of the re-opening of Ponds Forge.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 The funding provided will allow the reopening of Ponds Forge and will improve the quality of provision across the city. Leisure centres provide valuable swimming lesson provision, lane swimming, gym and fitness

classes for physical exercise, ice skating and athletics activities for key demographic areas and deliver positive physical and mental health and wellbeing impacts.

It should be noted that with social distancing measures in place it will simply not be possible to re-instate all activity that was available pre Covid-19. The priority must be to ensure the safety of both customer and staff and ensure that activities delivered comply with social distancing requirements.

4.2 Financial and Commercial Implications

4.2.1 Key features (not exclusive) of the draft SCR grant offer are summarised below:

The grant is aligned to SCR's Renewal Action Plan to help mitigate the impact of Covid-19 on the local economy. The grant will contribute to the reopening costs of Ponds Forge in 20/21 and 21/22.

- SCC is to be the Accountable Body for the grant offer of £2,388m and also for third party liabilities when making grant payments to SCT.
- SCC and SCR have a provisional agreement that the grant will be split 50/50 between capital and revenue expenditure (this is to be formally confirmed by both parties).
- Funding can only be used to support delivery of the Approved Scheme
- The capital grant allocation (50%) can only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.
- Grant funding must be used in full by March 2022
- Ensure that all project records are maintained and detailed to support the funder's own audit processes.
- To comply with EU State Aid rules and all applicable legislation.
- Certification from the Section 151 officer by June 2022 that the grant has been disbursed in accordance with the terms of the agreement.
- SCC to provide written acceptance of the grant offer and then payment will be made within 10 working days.
- Comply with monitoring and reporting requirements

The Grant Manager will need to read, understand and comply with all the grant terms and conditions and ensure that there are no unfunded, ongoing costs after the grant has ended.

4.2.2 Commercial Implications

There are no direct commercial implications arising from this report. Any procurement activity associated with the grant award will be reported separately.

All public sector procurement is governed by and must be compliant with both European Legislation and UK National Law. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process.

The £2.388m grant offer would help contribute towards the additional costs required to sustain operations at Ponds Forge through a period of significantly reduced income as a consequences of the pandemic and social distancing requirements for the period up to March 2022.

4.3 Legal Implications

4.3.1 The Council does not have a legal duty to provide leisure services, however there are a number of statutory duties related to leisure facilities, which includes the statutory youth provision and the need to ensure children in primary schools can learn to swim.

4.3.2 The Council has the power to provide recreational facilities under s19 Local Government Miscellaneous Provisions Act 1976. That section specifically empowers the Council to contribute by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing any recreational facilities. For these purposes SCT is a voluntary organisation. The Council may enter into a contract for the provision of recreational facilities and services under that s19 together with s1 Local Government (Contracts) Act 1997

4.3.3 As this is not additional funding for SCT the legal implications in the report of 23rd September are applicable. The funding is provided via the existing funding arrangements and these do not need updating to take account of the funding and accountable body requirements.

4.4. Public Health Implication

The funding will be used to support the re-opening of Ponds Forge. SCT have liaised with Public Health colleagues to finalise their re-opening plans, risk assessments and operating procedures to ensure that plans comply with Government Guidelines on safe re-opening and Covid-19 track and trace requirements.

4.5 Property Implications

Moving beyond lockdown and with opening restrictions easing the Council has adopted a clear approach to its differing opening and operational responsibilities as property occupier, tenant and landlord.

Ponds Forge is leased by SCC to SCT and is subject to agreements which pass operational liability and maintenance directly to the SCT. As such the Council has no direct liability for making the facilities COVID secure from both a building and operational perspective.

In reopening Ponds Forge SCT will be responsible for ensuring that government guidance and best practice is adhered to in reopening the buildings, making them COVID secure and in operation and management of the facilities. All measures such as signage, new layouts and one way systems, enhanced cleaning and all operational requirements will be the responsibility of SCT.

4.6 HR Implications

There are no HR implications arising from this proposal.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The alternative option considered was to fully fund the re-opening of Ponds Forge from Council reserves. This option was not considered to be in the best interest of the Council.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The financial support from SCR will support the Council's costs relating to the re-opening of Ponds Forge.