



## OFFICER DECISION RECORD

This form should be used to record Executive decisions taken by Officers

<b>Decision Ref. No:</b>			
<b>Service Area:</b>	Chief Executive Service: Destination & Culture (Leisure)	<b>Date:</b> <b>16/10/20</b>	
<b>Contact Name:</b>	Graham Farrant	<b>Tel No:</b>	
<b>E-mail:</b>			
<b>Subject:</b>	Financial support for BH Live		
<b>Decision taken:</b>  To approve a package of financial support for BH Live in 2020/21, to assist them in managing the exceptional impact of COVID-19 on BCP leisure and cultural venues.			
<b>Reasons for the decision:</b>  The package of support follows detailed assessment of BH Lives' financial and legal position, together with a review of Local Government Association (LGA) advice for councils in supporting leisure providers through COVID-19.  The aim of the package is to help ensure that BH Live remains in a viable financial position and that vital facilities for residents and visitors can remain open or operate as soon as possible where currently still closed due to government restrictions. Whilst there are significant financial impacts for the Council to consider, the cost of supporting BH Live to continue to operate is likely to be significantly lower than the cost of alternative options.  This decision is being taken by the Chief Executive pursuant to his urgency powers, in order to protect the interests of the Council (see Cabinet resolution (g) below).			
<b>Background:</b>  Following government instruction under the Health Protection (Coronavirus) Regs 2020, all BH Live's facilities were closed on 20 March 2020, leading to a significant reduction in revenue and extreme and unprecedented financial pressures. Most of BH Lives' leisure centres (inc. all BCP assets) have partially reopened since 25 July 2020 however, restrictions on use and reductions in visits have significantly limited current and forecast income generation.  LGA Guidance on "Options for councils in supporting leisure providers through COVID-19" (published April 2020) identifies the specific difficulties for leisure providers. The LGA encourages councils to help leisure providers... "by introducing a range of emergency			

measures including relaxing monitoring and outcomes requirements, advance payments, waiving management fees and in some cases offering direct financial support.” pg 6.

The Council has been working closely with BH Live since March to assess the service and financial impacts of facility closures. Financial data from BH Live, legal opinion and government guidance regarding support measures have been thoroughly reviewed, together with benchmarking against other authorities.

A package of support was subsequently considered by Cabinet on 29 July 2020 where it was resolved that Cabinet:

- (a) Approves in principle to recommend to Council a package of financial support for BH Live in 2020/21, to assist them in managing the exceptional impact of COVID-19; **(note – this has not yet been approved by Council, hence the requirement to use urgency powers as set out in recommendation g) below and the Decision below).**
- (b) Approves that a working group be set up, the makeup of which be determined by the Leader and the Chairman of the O & S Board to review the support which is appropriate to be provided to BH Live including consideration of alternative options to those recorded within the report;
- (c) Approves that any support package is subject to conditions to be finalised by the working group including those as set out within the reports and also including the requirement to ensure that BH Live use best endeavours to seek funding from all available alternative providers in preference to seeking funding from the Council;
- (d) Approves that consideration is given specifically to the terms of any loan provided by HSBC that may impact upon the Council;
- (e) Agrees in principle to recommend to Council the outcomes of the working group’s deliberations;
- (f) Approves that external legal support commence the drafting of the legal agreement; and
- (g) If necessary, in order to protect the interests of the Council supports the Chief Executive in exercising his delegated authority to make an urgent decision to determine the package of aid to be provided to BH Live. This decision to be taken following consultation with the Leader, relevant portfolio holders, the working group, chief finance officer and monitoring officer.

#### **Consultations undertaken:**

The cross-party working group (see ‘b’ above) met during August and September to consider a range of alternative options, informed by further analysis conducted by KPMG consultants and feedback from BH Live and HSBC bank.

The group included the Leader of the Council, the Leader of the Opposition and the Chairman of the Overview & Scrutiny Board, together with representatives from other political parties and BH Live Board Trustees. It was supported by the Chief Executive, Directors and officers from the Councils Legal, Finance and Destination & Culture Services.

The group have agreed the revised package of financial support and related conditions.

#### **Finance and Resourcing Implications:**

The financial implications to the Council resulting from the package of support are set out within the 29 July 2020 Cabinet report. **Redacted**

Redacted

The resourcing requirements to support the package of support are being met through the re-allocation of existing budgets and there is no requirement for additional financial resource arising from the decision.

The package of financial support relates to 2020/21 and the Council will shortly seek to determine the level of service fees for the next 3 years (2021-24) in line with the current service agreement.

**Name: Adam Richens**

**Date: 15/10/20**

### **Legal Implications:**

The financial support package has been determined in accordance with the provisions in the Service Agreement between BCP Council and BH Live (April 2020).

A separate legal agreement will be agreed between the parties to govern any financial transactions, which will include the specific conditions agreed by the Cabinet and working party.

In order to meet an exemption from State Aid principles, the Council is assured that the support measures are in response to the wholly exceptional external circumstances that have arisen in respect of the COVID-19 pandemic.

**Name: Sian Ballingall**

**Date: 15/10/20**

### **Risk Assessment:**

1. Redacted

**Name: Anthony Rogers**

**Date: 14/10/20**

### **Impact Assessments:**

1. There are no equality implications directly linked to the decision however the facilities and services operated by BH Live provide a wide range of services which are accessible to all equality groups, who would be significantly impacted should the facilities close.

**Information not for publication**

**1. Cabinet Report 29 July 2020**

Redacted



**2. KPMG Options Analysis**

Redacted



**3. BH Live – Financial support package:**

Redacted



**4. Grant Agreement - Term Sheet:**

Redacted



**5. Correspondence from BH Live regarding urgency (15/10/20):**

Redacted



**Background Papers**

None

Any declaration of interest by the Officer responsible for the decision		Nature of Interest	
No			
Any conflict of interest declared by a Cabinet Member who is consulted by the Officer taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
No			
<b>Decision taken by: Graham Farrant, Chief Executive</b>  <b>Decision to use urgency powers to agree an urgent financial support package to BH Live, to ensure that the organisation remains viable in order to protect the interests of the Council.</b> This decision is being taken following consultation with the Leader, Leader of the Liberal Democrat Group, relevant portfolio holder, the Working Group, chief finance officer and monitoring officer.  <div style="display: flex; align-items: center;"> <div style="margin-right: 20px;"><b>Signature:</b></div> <div style="background-color: black; width: 300px; height: 100px; display: flex; align-items: center; justify-content: center; color: white; font-size: 1.2em;">Redacted</div> </div> <b>Date of Decision: 16/10/20</b>  <b>Date Decision Effective: 16/10/20</b>			

**Note: A record of this decision should be kept by the Service Area within which the decision falls.**