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**REPORT TO THE MEETING OF THE EXECUTIVE 11 AUGUST 2020****PORTFOLIO: COMMUNITY****REPORT FROM ASSISTANT DIRECTOR, ASSETS & COMMERCIAL****SUBJECT: REMOBILISATION OF LEISURE FACILITIES****1 DECISION BEING RECOMMENDED**

- 1.1 That, following consultation with the Portfolio Holder for Community and the Portfolio Holder for Finance, the preferred option set out in paragraph 5 of this report for the reopening of leisure facilities within the district be approved.
- 1.2 That additional budget of up to £429,500 be approved to enable the preferred option to be implemented to the end of the financial year 2020/21, subject to agreement by Fusion Lifestyle to the proposed letter of variation to the current contract. The Council would seek to fund the additional costs through application of general COVID-19 grant funding, subject to there being sufficient to meet the Council's total financial pressures in 2020/21. Any balance of funding required would need to be drawn from the Council's reserves.
- 1.3 That, in consultation with the Portfolio Holder for Community and Portfolio Holder for Finance, the Assistant Director, Commercial & Assets initiates negotiations with Fusion Lifestyle to agree a new commercial arrangement for the operation of the facilities beyond the 2020/21 financial year and brings a report to the Executive in December 2020 setting out the terms of the proposed agreement.
- 1.4 That a draw-down from reserves of up to £25,000 be approved for external legal, financial and technical advice to support contract negotiations and the financial scrutiny of Fusion Lifestyle's accounts during 2020/21, to ensure that longer term value for money is achieved for the Council.

**2 REASON/S FOR RECOMMENDATION**

- 2.1 The COVID-19 pandemic has created a significant economic impact within the leisure sector in the UK, both public and private. The period of enforced closure has resulted in revenue lines collapsing and, while the industry has placed staff on furlough to reduce staffing costs, many of the fixed costs to maintain facilities have remained.
- 2.2 The pandemic is also projected to have a longer term impact on the industry due to the requirements necessary to ensure facilities are made COVID-19 secure and because of demand issues arising from site users having confidence in returning to use them.
- 2.3 All the Council's leisure sites closed on 20 March 2020, as required by Government legislation in response to COVID-19. The Government announced on 9 July 2020 that leisure centres would be able to reopen from 25 July 2020.

- 2.4 This report sets out the process undertaken by the Council's leisure operator, Fusion Lifestyle, to enable a phased, suitably adjusted, COVID-19 secure reopening. It also sets out the commercial considerations that are required as a result of the impact of COVID-19 during the transition period to March 2021 and potentially beyond.
- 2.5 The Council's existing contract with Fusion Lifestyle needs to be formally varied to accommodate the changes required during the transition period which could not have been foreseen under the provisions of the existing contract. Due to the impact of COVID-19 on the leisure sector the terms of the existing contract are unlikely to be capable of being met by Fusion for the remainder of the contract term. Given that the Council's contract is due to expire on 31 March 2022 it may be prudent to modify the existing contract terms further to include the period from April 2022 to a new end date, which would enable the Council to be clearer about its proposed next steps for future service provision.
- 2.6 Hence, the Council will need to agree a new commercial arrangement with Fusion Lifestyle for the operation of the facilities beyond the 2020/21 financial year. The outcome of these negotiations will be the subject of a further report to the Executive in December 2020.

### **3 SALIENT INFORMATION**

- 3.1 The Council's existing leisure contract with Fusion Lifestyle expires on 31 March 2022.
- 3.2 Fusion Lifestyle manages the following facilities as part of that contract:
- Clements Hall Leisure Centre;
  - Rayleigh Leisure Centre;
  - The Mill Arts & Events Centre;
  - Freight House; and
  - Castle Hall.
- 3.3 The Council planned to tender for a new leisure contract to commence 1 April 2022, in accordance with its Leisure & Cultural Services Strategy. Officers had been working with The Sport, Leisure and Culture Consultancy to prepare a procurement exercise which was due to commence in January 2021; this was considered the latest date a procurement exercise could begin in order to run a competitive procedure prior to the current contract ending.
- 3.4 COVID-19 is forcing the Council to reconsider its approach, since procuring a new contract in a commercially uncertain environment is unlikely to allow the Council to achieve value for money or incentivise innovation or investment by a service provider.
- 3.5 It is proposed, therefore, that the Council negotiates a new commercial arrangement with Fusion Lifestyle with effect from 1 April 2021. This will allow the Council to ensure continuity of service provision until such time as the

Council is able to successfully put in place a new provider. The Council would seek amendments to the terms and conditions which allow early termination flexibility, together with other protections to enable the Council to manage the relationship with Fusion Lifestyle.

#### **4 ASSET PREPARATION FOLLOWING CLOSURE PERIOD**

- 4.1 During the period of closure Fusion Lifestyle has performed statutory inspections and planned maintenance in the facilities to avoid long term issues and to keep the centres safe, secure and maintained. Council officers have also carried out site visits during this period in addition to regular external checks of the sites.
- 4.2 To bring the centres up to an appropriate standard for public usage after a period of extended closure, Fusion Lifestyle will ensure compliance with legal and technical industry standards in addition to the necessary COVID-19 secure adaptations.

#### **COVID-19 Secure Risk Assessment and Adaptations**

- 4.3 Fusion Lifestyle's approach to the reopening of the facilities is shaped by the advice from Central Government, National Governing Bodies of Sport and Trade Associations, such as UKActive and Swim England. Their objective is to ensure that they can create a COVID-19 secure facility for customers and staff that will give them the confidence to return to the centres.
- 4.4 Fusion Lifestyle has provided the Council with its COVID-19 Risk Assessment and mobilisation plan, which Fusion Lifestyle will keep under constant review. This will result in the introduction of various operational measures to best protect against COVID-19.
- 4.5 Unless superseded by Central Government advice or legislation, all specific operations and processes will follow guidance and key provisions published by:
- UKActive;
  - Swim England;
  - The Royal Life Saving Society (RLSS);
  - Pool Water Treatment Advisory Group (PWTAG); and
  - The Chartered Institution of Building Services Engineers (CIBSE).
- 4.6 Staff training has been put in place to embed new working practices to ensure the staff, customers and centre is COVID-19 secure via training on the new Safe System of Work procedure, including:
- Delivering First Aid under Social Distancing;
  - Use of Personal Protective Equipment (PPE);

- Refresher induction will take place for all returning staff covering all regular statutory training compliance, including: Site and Role Induction, Fire Safety, Manual Handling, Legionella awareness, Safeguarding, Normal Operating Procedure and Emergency Operating Procedures;
- Newly implemented concierge front of house; and
- Additional cleaning operations.

### **Changes to the Operation of the Facilities at Clements Hall and Rayleigh Leisure Centres**

4.7 During the transition period (at least to March 2021 and possibly beyond subject to any change in Government advice) the facilities will look and feel very different and the available leisure offer will be impacted and reduced. A summary of the key changes is set out below:

- Many public areas of each centre will require reconfiguration in order to enable social distancing and minimise risk to customers and staff;
- Opening hours will initially be reduced by circa 25% but this will be under regular review subject to demand;
- Numbers allowed on site at any one time will be restricted in adherence to Government advice;
- All sessions must be pre-booked and pre-paid online – there will be no cash handling;
- Health & Fitness provision will include gym and studio classes only;
- Hirers and group bookings will not be immediately possible but will follow at a later date to be confirmed;
- Some classes will be held outside utilising outdoor pitches at both Clements Hall and Rayleigh Leisure Centres. Other areas of site e.g. sports halls to be utilised for gym equipment to aid social distancing; and
- All dry side changing rooms will be non-operational. There will be accessible designated toilet facilities at each centre.

4.8 The aquatics provision at Clements Hall will be modified as follows:

- 90-minute pre-booked and pre-paid sessions with rolling 60-minute slots, which will allow cleaning of changing rooms between sessions; and
- Initially the pool will only be open for adult lane swimming on a reduced timetable; this will be kept under review by Fusion Lifestyle.

### **Financial Impact During Transition Phase**

4.9 Fusion Lifestyle has estimated the cost of a phased COVID-19 secure reopening for each site as set out below.

**Table 1: Additional Financial Support Requested on a Site by Site Basis**

|                              | Aug<br>£000  | Sep<br>£000 | Oct<br>£000 | Nov<br>£000 | Dec<br>£000 | Jan<br>£000 | Feb<br>£000 | Mar<br>£000 | Total<br>2020/21<br>£000 |
|------------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------|
| CLEMENTS HALL                | 55.6         | 35.0        | 14.2        | 14.8        | 24.2        | 8.4         | 8.7         | 4.4         | 165.3                    |
| RAYLEIGH                     | 22.6         | 17.2        | 10.2        | 10.7        | 13.3        | 9.1         | 10.2        | 12.4        | 105.8                    |
| MILL (INCLUDING CASTLE HALL) | 16.8         | 16.9        | 11.0        | 9.1         | 15.3        | 7.7         | 6.6         | 9.3         | 92.8                     |
| FREIGHT HOUSE                | 12.9         | 12.9        | 13.0        | 11.1        | 10.8        | 16.6        | 9.5         | 8.4         | 95.2                     |
| CONTINGENCY                  | 3.4          | 4.6         | 6.9         | 7.2         | 6.3         | 8.7         | 8.5         | 8.7         | 54.3                     |
| <b>TOTAL</b>                 | <b>111.4</b> | <b>86.5</b> | <b>55.3</b> | <b>52.9</b> | <b>70.0</b> | <b>50.5</b> | <b>43.5</b> | <b>43.3</b> | <b>513.3</b>             |

- 4.10 All projections are based on an 8-month transition period from August 2020 – March 2021 and are being independently reviewed for robustness by industry advisers working with the Council.
- 4.11 Fusion Lifestyle has stated that its revenue projections are based on activity level forecasts presented in UKActive’s COVID-19 Impact Report “the Fitness & Leisure Sector’s Path to Recovery” and on current Government and industry guidance. UKActive projections show that activity levels are only expected to rise to 60% of pre-COVID levels by March, with a best-case scenario of up to 88% of customers returning and less optimistic forecasts indicating this could be as low as only 40%.
- 4.12 Fusion Lifestyle is attempting to mitigate reduced revenue income by implementing cost savings across the business. Its model assumes a 40% reduction in payroll costs for both site and head office-based staff. This saving is predicated on changes to head office and site operations and in many cases is supported by new IT development. Fusion Lifestyle has assumed that these one-off costs will be funded by a Coronavirus Large Business Interruption Loan (CLBILS), with the relevant interest and capital repayments factored into its projections.
- 4.13 Fusion Lifestyle is also renegotiating all its key supply contracts and adjusting these as far as possible to the new revenue levels. These reductions are averaging around 30% compared to pre-crisis levels.

## **5 PREFERRED OPTION**

- 5.1 In consultation with the Portfolio Holder for Community and the Portfolio Holder for Finance the financial projections provided by Fusion Lifestyle have been reviewed and carefully considered. The Council values its leisure facilities and the important role they play in the health and wellbeing of residents although this needs to be balanced and considered with the impact that COVID-19 has

had on the industry nationally and the local impact on the increased costs to manage the facilities.

- 5.2 The preferred option is that Clements Hall Leisure Centre and Rayleigh Leisure Centre will reopen in a COVID-19 secure phased approach by late August 2020 and The Mill Arts and Events Centre and Castle Hall will reopen in a COVID-19 secure phased approach by late October 2020.
- 5.3 The proposed timescale for the reopening of The Mill Arts & Events Centre would allow Fusion Lifestyle the time to secure new bookings and reinstate regular block bookings although certain events and activities which would have taken place at these sites will not be able to go ahead within current Government guidance.
- 5.4 The preferred option does not include reopening the Freight House since this is one of the buildings proposed for early redevelopment as a new Community and Civic Space within the Council's Asset Delivery Programme. Where possible, Fusion Lifestyle would relocate bookings to the Mill Arts & Events Centre and/or other facilities within the portfolio. If this is not possible officers would work with existing users to identify other alternative local facilities where possible.
- 5.5 The total additional cost to the Council of this option is estimated to be £429,500, based on the monthly profile set out below. The actual amounts paid will be based on the month by month financial performance of Fusion Lifestyle over the period, so will vary, but will be subject to a total cap of £429,500. Although the Council proposes to set a cap of the level of additional financial support provided to Fusion Lifestyle, if activity levels are lower than assumed there remains a risk that they will still not be able to operate on a financially viable basis and the contract could still be 'frustrated' as per paragraph 9.3.

**Table 2: Anticipated Net Additional Cost of the Preferred Option in 2020/21**

|                                | April       | May         | June        | July        | Aug         | Sep         | Oct         | Nov         | Dec         | Jan         | Feb         | Mar         | Total<br>2020/21 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
|                                | £000        | £000        | £000        | £000        | £000        | £000        | £000        | £000        | £000        | £000        | £000        | £000        | £000             |
| <b>BUDGET</b>                  |             |             |             |             |             |             |             |             |             |             |             |             |                  |
| Current annual Management fee  | 13.8        | 13.8        | 13.8        | 13.8        | 13.8        | 13.8        | 13.8        | 13.8        | 13.8        | 13.8        | 13.8        | 13.8        | 165.0            |
| Less Annual Project budget     | - 1.2       | - 1.2       | - 1.2       | - 1.2       | - 1.2       | - 1.2       | - 1.2       | - 1.2       | - 1.2       | - 1.2       | - 1.2       | - 1.2       | 14.5             |
| Less Annual Salary recharge    | - 6.9       | - 6.9       | - 6.9       | - 6.9       | - 6.9       | - 6.9       | - 6.9       | - 6.9       | - 6.9       | - 6.9       | - 6.9       | - 6.9       | 83.0             |
| <b>Net Budgeted Costs</b>      | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>5.6</b>  | <b>67.5</b>      |
| <b>REVISED PROJECTED COSTS</b> |             |             |             |             |             |             |             |             |             |             |             |             |                  |
| Management Fee                 | 13.8        | 13.8        | 13.8        | 13.8        |             |             |             |             |             |             |             |             | 55.0             |
| One off Payment                | 12.6        |             |             |             |             |             |             |             |             |             |             |             | 12.6             |
| Reopen all sites except FH     |             |             |             |             | 99.8        | 75.0        | 43.7        | 43.2        | 60.5        | 35.3        | 35.4        | 36.3        | 429.4            |
| <b>Net Revised Costs</b>       | <b>26.4</b> | <b>13.8</b> | <b>13.8</b> | <b>13.8</b> | <b>99.8</b> | <b>75.0</b> | <b>43.7</b> | <b>43.2</b> | <b>60.5</b> | <b>35.3</b> | <b>35.4</b> | <b>36.3</b> | <b>497.0</b>     |
| <b>NET ADDITIONAL COST</b>     | <b>20.7</b> | <b>8.1</b>  | <b>8.1</b>  | <b>8.1</b>  | <b>94.2</b> | <b>69.4</b> | <b>38.1</b> | <b>37.6</b> | <b>54.9</b> | <b>29.6</b> | <b>29.8</b> | <b>30.7</b> | <b>429.5</b>     |

- 5.6 The total additional cost is shown net of budgeted payments already assumed in the Council's medium term financial strategy (MTFS). During the transition period (to March 2021) the projections assume no other financial contractual

obligations will be paid. For the Council this would include salary recharges for two Council employees totalling £83,000 and an annual events project budget of £14,500.

- 5.7 The total cost also includes a payment of £12,670 the Council agreed with Fusion to support them during the initial shut down period in April 2020 following the principles set out in Procurement Policy Note (PPN) 02/20 “Supplier Relief due to COVID-19” which sets out that temporary relief should be put in place to support suppliers to the end of June 2020. Fusion has confirmed that no additional payment will be sought for the closure period up to reopening.
- 5.8 If financial support is agreed by the Council, Fusion Lifestyle’s actual financial performance would be reviewed monthly with external consultants on a fully open book basis. This will require Fusion Lifestyle’s management accounts to be submitted setting out a detailed breakdown of actual costs incurred, and income generated, for each site. These would be compared to the baseline projections above and any variations interrogated to ensure they can be reasonably explained by Fusion Lifestyle.
- 5.9 An initial review of Fusion Lifestyle’s national financial position has been carried out by Local Partnerships on behalf of a number of Local Authorities who have contracts with Fusion Lifestyle. The report is appended at Exempt Appendix 1.

## **6 ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 The Council has the option to re-open none/some/all of its leisure facilities. The estimated cost of operating each site until March 2021 is set out at paragraph 4.9 above. Without these subsidies Fusion Lifestyle has indicated it will be unable to operate on a financially viable basis.
- 6.2 If the Council did not provide the requested subsidy for each site that it wishes to re-open Fusion may argue that the current contract is frustrated. In that case operation of the sites would revert to the Council. It is considered unviable for the Council to operate leisure services directly itself in the short-medium term, due to a lack of available resource/expertise within the Council. This would result in no leisure facilities being available for residents until the Council was able to secure another service provider. It is not considered likely that another external leisure provider would be able to take on a contract to deliver leisure services in the district at short notice.
- 6.3 The Council will need to consider what alternatives might be available if it is unable to agree terms with Fusion Lifestyle for provision of services from April 2021. This will be addressed in a further report to the Executive in December 2020.

## **7 RISK IMPLICATIONS**

- 7.1 The financial risks are set out in section 8 of this report.

- 7.2 The legal risks are set out in section 9 of this report.
- 7.3 Fusion Lifestyle has shared its mobilisation plans and risk assessments with the Council. The Council's Health & Safety Officer confirmed that they were following Government guidance, but will carry out site visits to ensure the measures being implemented are satisfactory
- 7.4 The Leisure & Cultural Services Team will continue to work in partnership with Fusion Lifestyle, closely monitoring the contract and remaining in regular contact with Centre Managers and their Business Manager. This will include regular visits of all sites during site mobilisation and on reopening.

## **8 RESOURCE IMPLICATIONS**

- 8.1 Fusion Lifestyle's estimated cost of a phased COVID-19 secure reopening for each site to March 2021 is set out at paragraph 4.9.
- 8.2 The estimated additional cost to the Council of the preferred option in 2020/21 is £429,500. Under the proposed letter of variation, the total subsidy provided to Fusion Lifestyle by the Council in 2020/21 would not exceed £429,500. Although the Council proposes to set a cap of the level of additional financial support provided to Fusion Lifestyle, if activity levels are lower than assumed there remains a risk that they will still not be able to operate on a financially viable basis and the contract could still be 'frustrated' as per paragraph 9.3.
- 8.3 The Council would seek to fund the additional costs through application of general COVID-19 grant funding (currently totalling £1.011m), subject to there being sufficient to meet the Council's total financial pressures in 2020/21. Any balance of funding required would need to be drawn from the Council's reserves.
- 8.4 The issues experienced by Fusion Lifestyle are part of a national leisure crisis. This has been recognised and a bid was made in July by MHCLG and DCMS to HM Treasury for a national support package of £770m for the leisure industry. If this bid is successful, the Council will seek additional grant funding to offset the financial impact detailed in this report.
- 8.5 The estimated subsidy projections assume that Fusion will successfully secure a CLBILS loan to cover one-off restructuring costs. At the time of writing this report, the outcome of the application is unknown and there is a risk, therefore, that if this loan is not agreed this will impact the financial projections.
- 8.6 As activity levels are only assumed to return to 60% of pre-COVID levels by March 2021, it is anticipated there may be a further financial impact in the financial year 2021/22, which is the last year of the Council's current contract. The Council will need to renegotiate this final contract year with Fusion Lifestyle to allow them to operate sustainably to the end of March 2022 and if the Council elects to do so, for a further limited period beyond April 2022. Further detailed work will need to be carried out with Fusion Lifestyle to ascertain and agree any additional financial support required. This will be factored into the



Council's MTFS projections and will potentially increase the Council's budget gap for 2021/22 and beyond.

- 8.7 Fusion Lifestyle proposes that any liabilities due to the Council relating to the pre-shutdown period will be repaid over 12 months from April 2021.
- 8.8 Fusion is contractually obliged to carry out building condition survey works before the end of the current contract term. They have stated that they will not be able to undertake any works prior to April 2021. Estimated costs for the remaining two years of the contract were circa £700,000. This will need to be considered as part of any renegotiated contract for 2021/22 and beyond.
- 8.9 Resources totalling up to £25,000 will be required to cover the cost of external financial scrutiny work for the open book review of Fusion Lifestyle's accounts during 2020/21, plus financial and legal support for renegotiation of new contract terms. It is proposed this is funded from a drawdown on reserves, although it is possible some Sport England funding may be made available to support this work.

## **9 LEGAL IMPLICATIONS**

- 9.1 If the above recommendations are agreed, the Council will issue a letter of variation to the Contract to be agreed by and signed by Fusion. This letter of variation will set out the basis on which the Council and Fusion agree to amend the current leisure operating contract. If the terms are not agreed by Fusion, then the Council will be left in the unfavourable position of not being able to reopen the leisure sites. A confidential copy of the external legal advice is appended to this report (Appendix 2).
- 9.2 The Council can amend and enter into a new contract under Regulation 72 of the Public Contracts Regulations 2015. Under Regulation 72(c) the amount received by the operator can be increased by up to 50% of the value of the original contract if:
  - a. the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen; and
  - b. the amendments do not alter the overall nature of the contract.
- 9.3 There is the risk that if the Council does not engage with Fusion and instead enforces performance through the terms of the current contract, Fusion may legitimately claim that the contract has been "frustrated" because it is legally impossible for them to provide the service which has been contracted in the way that it has been contracted for.
- 9.4 Frustration is a legal principle that, in certain circumstances, allows parties to walk away from contracts where it becomes unlawful to perform them, or because of an exceptional event, where the performance of the obligations (i.e. operation of the facilities) must now be performed in a radically different way than before the exceptional event.

- 9.5 The consequences of frustration are that the buildings and staff would revert to the Council to manage. This would present the Council with a significant logistical problem and is likely to cost the Council considerably more than agreeing targeted financial assistance in the medium term.
- 9.6 With regard to State Aid, the Council's position is low risk because there is a good argument that making state resources available to local leisure facilities only has a local effect and there is no prospect of any impact on cross border trade or investment.
- 9.7 This decision is deemed as an urgent key decision under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 ("the Regulations") and the Council's Constitution. The Chairman of the Review Committee has been informed and his agreement has been obtained. The decision is not subject to call-in procedures under Rule 15(f) under the Council's Constitution because any delay will seriously prejudice the interest of the Council in that it will have an impact on the delivery of the current leisure contract. It will also have an impact on the public's interest with regard to the delivery of the leisure services within the district.
- 9.8 Furthermore, this is an urgent decision taken outside the Budget Framework as it has not been practical to convene a meeting of Full Council. In accordance with the Council's Constitution a report will be made available at the next Council meeting explaining the reasons and why it has been treated as a matter of urgency.

## **10 SUMMARY**

- 10.1 In consultation with the Portfolio Holder for Community and the Portfolio Holder for Finance the Council's preferred option for the reopening of the Council's leisure facilities is as set out at paragraph 5.
- 10.2 Additional budget of up to £429,500 will be required to implement the preferred option for the period August 2020 - March 2021. This will be subject to agreement to the proposed letter of variation for the period to 31 March 2021 which requires Fusion Lifestyle to submit monthly accounts on an open book basis for scrutiny by the Council and its professional advisers.
- 10.3 The Council will enter into negotiations with Fusion Lifestyle to agree a new commercial arrangement for the operation of the facilities beyond March 2021 and report to the Executive in December 2020 for approval of that new arrangement.
- 10.4 A drawdown of up to £25,000 will be required for the purpose of funding external advice services to support financial scrutiny and contract negotiations, to ensure that longer term value for money is achieved for the Council.

**11 EQUALITY AND DIVERSITY IMPLICATIONS**

11.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity between people who share a protected characteristic and those who do not
- foster good relations between those who share a protected characteristic and those who do not.

11.2 The protected characteristics are age, disability, gender, race, sexual orientation, religion, gender reassignment, marriage/civil partnerships, pregnancy/maternity.

11.3 The Equality Impact Assessment (EIA) indicates that the proposals in this report will have a disproportionately adverse impact on any people with a particular characteristic.

Loss of community resource

As the Freight House will not reopen users of the site will be unable to hold their meetings, events or functions there and will need to find an alternative venue.

This impact will be mitigated against as outlined in section 3.4 of the EIA.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

The decision should be taken as a matter of urgency and not subject to call-in because any delay will seriously prejudice the interest of the Council in that it will have an impact on the delivery of the current leisure contract. It will also have an impact on the public's interest with regard to the delivery of the leisure services within the district.



LT Lead Officer Signature: \_\_\_\_\_

**Assistant Director, Assets & Commercial**

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**Background Papers:-**

Government Guidance on Working Safely During Coronavirus (COVID-19)  
PPN 02/20 – Procurement Policy Note – Supplier Relief due to COVID-19 (March 2020)  
PPN 04/20 – Procurement Policy Note – Recovery and Transition from COVID-19 (June 2020)

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