

## **Item 10 - Sencio Community Leisure - Supporting the recovery of leisure in the District**

The attached report was considered by the People & Places Advisory Committee on 6 October 2020. The relevant Minute extract is below.

### People & Places Advisory Committee (6 October 2020, Minute 69)

The Deputy Chief Executive and Chief Officer People & Places presented the report which set out a request from Sencio Community Leisure for financial assistance to mitigate current financial difficulties related to the impact of the Coronavirus outbreak and subsequent recovery period.

To date, the District Council had agreed the following support:

- released the Management Fee of £26,950 for the whole year up front; and
- provided a 6 month payment holiday on Council loan repayments up to the end September 2020, equating to £44,000 for the quarter. The terms of which, defers payment of the loan without penalty for late payment. (In 2018, the Council provided Sencio with a loan of £600,000 repayable over ten years at a rate of 6% interest. The current outstanding loan repayment is £546,186.37).

Government COVID-19 health and safety guidelines and restrictions had limited business recovery. With the further restrictions that had recently been put in place it was highly unlikely that the government was going to lift social distancing measures in the short to medium term which would continue to limit business recovery.

Members considered Sencio's Recovery Plan, attached as Appendix A to the report. It was noted that the Council had requested Sencio provide its income and expenditure for the previous two years and its revised estimated income and expenditure projections for each centre and the golf centre up to December 2022 as a matter of urgency.

Given the extraordinary circumstances of recent months, Sencio had requested ongoing assistance with its cash flow challenges and implications resulting from lockdown. Sencio had formally asked the Council to consider extending the current payment holiday on Sencio's loan repayments to the Council by a further 6 months to March 2021.

At her discretion the Chairman invited Councillor Grint to address the Committee. He expressed concerns and suggested that Cabinet be advised to include a condition requesting Sencio to seek professional advice from insolvency practitioners and to share that advice with the Council. It was confirmed and noted that the Council did have Councillor representation on

the Sencio Board. It was further noted that there was to be a Sencio Board meeting the week after this meeting, where the matter could be raised by the Councillor representative. The Deputy Chief Executive and Chief Officer People & Places commented that Sencio's auditors had recommended that the Board seek legal advice, but not bring in an insolvency specialist at this stage.

Concern was expressed regarding the deliverability of Sencio's Recovery Plan, dated July 2020, and Sencio's current financial status to support recovery. In response to the concerns raised the Deputy Chief Executive and Chief Officer People & Places advised that, if Members were minded, officers could be tasked with finding out the financial implications for Sencio and the Council should the request be agreed at Cabinet.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that

- a) Sencio's request for an extension to the current payment holiday on their loan repayments to the Council by a further 6 months to March 2021, be supported; and
- b) Officers be requested to explore the financial implications of COVID-19 for the delivery of leisure services in the Sevenoaks District to both Sencio and the Council.