

**REPORT TO:** Cabinet

**MEETING DATE:** 14 March 2023

**BY:** Executive Director for Council Resources

**SUBJECT:** Additional Financial Support to ALEO

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**1 PURPOSE**

- 1.1 To approve an additional financial contribution of support to Enjoy Leisure.

**2 RECOMMENDATIONS**

- 2.1 To approve an additional financial contribution of £40,000 to Enjoy Leisure aligned to loss of income relating to the closure of the Loch Centre Swimming Pool.

**3 BACKGROUND**

- 3.1 Since 23 January 2023, the swimming pool situated within the Loch Centre Tranent has been closed due to issues identified with the building. On-going site investigations and detailed options appraisals are currently being progressed, with the facility anticipated to remain closed until options have been fully explored.
- 3.2 Enjoy management have been exploring all options to mitigate the impact of this closure, including the reallocation of services to alternative locations where this is possible. The swimming pool and associated services remains however an important income stream for Enjoy, and therefore they remain unable to mitigate the impact of this loss of income in the short term.
- 3.3 Enjoy continues to operate in a very challenging financial landscape, and this has remained an acute area of pressure and focus both during COVID and more importantly in their recovery from COVID. In recent years, members will be aware that the Council has continued to provide a 'letter of guarantee' as part of the annual accounts closure to our ALEO partner providers including Enjoy. In addition, given the acute and on-going challenges, officers continue to meet monthly in addition to quarterly

contract meetings, to discuss the financial position, including the impact on loss of income from the on-going closure of the Loch Centre swimming pool.

- 3.4 Given the on-going financial impact of this closure in addition to the on-going financial challenges facing Enjoy, it is recommended that the Council provides a contribution of £40,000 to support the loss of income, which remains consistent with the legal agreement between the Council and Enjoy.
- 3.5 It is recognised that both organisations continue to face significant financial challenges. Subject to approval, it is recognised that this contribution is unlikely to mitigate the full impact of loss of income being face, and the on-going impact of this closure will continue to remain subject to on-going review.

#### **4 POLICY IMPLICATIONS**

- 4.1 None

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – Subject to approval, the £40,000 will be met from the Council's COVID / Recovery and Renewal Fund, with a balance at 31 March 2022 at £5.479 million.
- 6.2 Personnel - None.
- 6.3 Other - None

#### **7 BACKGROUND PAPERS**

- 7.1 None

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