

Report to: Council

21 May 2020

Lead Cabinet Member(s): Cllr John Williams

Lead Officer: Peter Maddock, Head of Finance

Milton Country Park & Financial Impact of Covid-19

Executive Summary

1. In response to coronavirus social distancing and isolation, Cambridge Sport Lakes Trust (CSLT) closed Milton Country Park to paying customers making it accessible only via pedestrian entrances from 26 March 2020, with the café and playground closed from 22 March. From 1 April 2020, CSLT has accessed the government's Coronavirus Job Retention Scheme to furlough staff.
2. SCDC is the principal leaseholder for Milton Country Park. In 2008, SCDC issued CSLT with a lease for 99 years with a one-off payment of £250,000. Should CSLT not be able to continue running Milton Country Park then the management would revert to SCDC.
3. Recognising the value of managed open space for the local community at this difficult time and the ineligibility of CSLT to access all business support schemes, there is a case to provide a conditional grant of £50,000 (in two £25,000 instalments) to enable CSLT to keep the park open, safe and accessible.

Recommendations

4. Council is asked to agree that:
 - (a) SCDC issues a conditional grant of £50,000 to Cambridge Sport Lakes Trust, ratifies the first instalment of £25,000 in May 2020 and agrees to the second £25,000 no earlier than September 2020.
 - (b) The first instalment is subject to Head of Finance reviewing the Trust's current financial position via bank statements.
 - (c) The second instalment is subject to Head of Finance reviewing the Trust's Management Accounts in addition to business efficiency measures, fundraising efforts and revised cashflow forecast.

Reasons for Recommendations

5. Milton Country Park will be playing a key role providing space for daily exercise for those who can walk/cycle/push to the site and will play a key role in supporting communities when we eventually come out of the lockdown period in terms of health and wellbeing benefits.
6. CSLT has developed a business model which enables visitors to access the park for a minimal car parking fee, or free at point of use. CSLT have managed the park without SCDC financial support since the lease was awarded in 2008 with the £250,000 payment. CSLT have developed a sport and activity programme to enhance the experience of those visiting the park and well as attracting diverse user groups and income streams.
7. As the park has no rateable value, CSLT does not pay business rates and therefore is ineligible for several government support schemes listed in table 1, including the £25,000 grant for the Retail, Hospitality and Leisure sector.
8. If CSLT are unable to continue managing the Park, this responsibility will revert to SCDC. In the short-term this would require a mobilisation of resource to meet compliancy of health and safety requirements as well as taking on the fixed costs.

Details

9. The table 1 below shows the existing financial support schemes:

Existing support	Are CSLT eligible?	Are CSLT utilising the support?
Coronavirus Job Retention Scheme	Yes	Yes
VAT deferral for three months	Yes	TBC
Coronavirus Business Interruption Loan Scheme	Subject to finance checks / lender approval.	Unsure
Retail, Leisure and Hospitality – 12-month business rate holiday	No	N/A
Retail, Leisure and Hospitality – Grant funding £25k	No	N/A
Small Business Grant Scheme £10k	No	N/A
Sport England Community emergency Fund – up to £10k	Yes	CSLT have applied.
Bounce Back Loan – up to £50k	Subject to finance checks/ lender approval.	CSLT have had initial conversation.

Table 1: Summary of Financial Support Schemes and CSLT eligibility

Options

10. The options are:

- (a) To defer decision until after CSLT have applied for Sport England and/or CAF funding
- There is a time sensitivity regarding CSLT's need for financial support as several weeks have elapsed whereby CSLT has not been able to secure income and therefore waiting would put further financial pressures on the organisation.
 - Even with Sport England funding, the CSLT will still require further funding to cover costs.
- (b) To issue an interest free loan
- It is likely that recovery from the loss of income could take an extended period of time to fully recover and therefore it would be difficult to put in place re-payment terms that are realistic.
 - Aggressively seeking repayment goes against the rationale for providing financial support in the first place.
 - If we were not to aggressively seek re payment of a loan then we would need to write-off the amount in year.
 - A loan would need to be accounted for differently by both SCDC and the recipient CSLT.
 - CSLT already has an unsecured, interest-free loan from a Trustee.
- (c) Provide no financial support
- Based on the financial information provided – unlikely that CSLT will be able to continue without further financial assistance.
 - We are aware that they are seeking support through Crowd Funding (currently at £8,000) and other sources – however unlikely to be at levels required to cover all fixed costs.

Implications

11. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

Financial

12. The report is written by Head of Finance with input from Head of Commercial Development and Investment.

13. No VAT implications on either party

14. Unlikely to raise any State Aid implications, as CSLT have received minimal public funding (as per their previous Accounts) within de minimis thresholds.

Legal

15. Chief Monitoring Officer has confirmed the decision will need to be taken by Council as it is outside policy and budget.

Staffing

16. Communication with CSLT has been undertaken by the Commercial Development and Investment team within Finance and this can continue for the duration of the grant period.

Risks/Opportunities

17. An assessment of the risk/opportunity will need to be undertaken regarding the park being given back to SCDG should CSLT not continue as a going concern.

Consultation responses

18. Discussion with Investment Selection Team officers and Local Member for Milton.

Alignment with Council Priority Areas

19. Special circumstances due to current covid-19 crisis – supporting local organisation which provides health and well being benefits for local community

Background Papers

SCDC Business Support – Coronavirus webpages

<https://www.scambs.gov.uk/business/coronavirus-information-for-businesses/>

Appendices

Appendix A: CSLT Annual Accounts year ending 31 March 2019

Report Author:

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