



# HM Government

## National Leisure Recovery Fund (NLRF) – frequently asked questions

**Question: I'm a local authority with an in-house leisure function – am I eligible to make a claim from the NLRF?**

Answer: No. The NLRF is only for local authorities that have an outsourced leisure provision or have had their outsourced leisure provision fail since 20 March 2020 and the service is now delivered in-house. The government's also been supporting leisure provision through the Ministry of Housing, Communities and Local Government's (MHCLG) Income Compensation Scheme. The MHCLG's scheme is designed to compensate for transactional income losses that are truly irrecoverable – including transactional income from customer and client receipts generated from the delivery of goods and services and which were budgeted for in 2020/21, this includes budgeted management fee income.

**Q: I have more than one outsourced leisure provider. Am I able to make an application for more than one outsourced provider?**

A: Yes. If a local authority has more than one leisure provider then it must submit one application that relates to all providers, but the financial and non-financial information must be provided for each of the different providers. This must be done through the submission of financial and operational information on a separate form for each provider. Please submit narrative responses that address the whole portfolio of leisure facilities across a local authority area and, if applicable, across multiple providers.

**Q: I'm a parish/town council and operate a leisure facility. Am I eligible to make a claim to the NLRF?**

A: The eligibility of parish/town councils to access the NLRF is dependent upon the specific circumstances. If a parish/town council operates a leisure facility that's outsourced to an external provider then it would be eligible for the NLRF. In this circumstance the application to the NLRF must come from the parent local authority with the parish/town council identified as an outsourced operator to the local authority. Parish/town councils aren't able to submit direct applications to the NLRF.

If the parish/town council operate a leisure facility with council employed staff, then this wouldn't be eligible for the NLRF.

**Q: I've already accessed support from the MHCLG Income Compensation Scheme. Am I still able to submit an application to the NLR?**

A: This is dependent upon the nature of the support accessed from the MHCLG Income Compensation Scheme. Some local authorities receive a share of operating surplus from its outsourced leisure provider to re-invest in other council services. The impact of coronavirus may have led to some local authorities not receiving this surplus payment and therefore losing budgeted income. In order to be re-imbursed for this lost income, local authorities have accessed the MHCLG Income Compensation Scheme and received support.

Any local authorities that have received support of this nature can still submit an application to the NLR as the purpose of this fund is to support with the additional cost of the operation of leisure facilities. Details of funding received through this mechanism should be clearly detailed in the narrative response to question one of the application form.

**Q: I'm proposing to mothball some of my leisure facilities whilst reopening others. Can I submit a claim to the NLR for the costs associated with mothballing these facilities?**

A: No. The purpose of the NLR is to support the reopening and recovery of the leisure sector. Therefore, it'll only support costs associated with facilities that are reopened by 31 March 2021. The NLR will not support any costs associated with the mothballing or closure of facilities. However, if your recovery plan states that you'll be reopening these facilities from 1 April 2021 then you can include the additional costs associated with this reopening that'll be incurred before 31 March 2021. Where these costs are included it must be clearly stated in your response to question 2a on your recovery plan.

**Q: One of the facilities within my portfolio is a shared asset (i.e. library, primary care centre). Would this facility be eligible under the NLR?**

A: Yes. All local authority leisure facilities that are operated by an outsourced provider are eligible to be included in an application for funding. Where an asset is shared with a non-leisure related facility then the application must only include costs and income associated with the operation and maintenance of the leisure facilities within the asset. Any costs and income not associated with the operation of the leisure facility won't be eligible for the NLR.

**Q: Why do I need to provide this level of information?**

A: The reason for providing this level of information is because the NLR is a biddable fund and is restricted to £100 million. Therefore, this information will enable Sport England, the Department for Digital, Culture, Media and Sport (DCMS) and MHCLG to make a robust informed decision during the assessment of applications. This will allow us to maximise the impact of the funding, deliver value for money and use public funds prudently. In order to undertake this assessment, the expectation is that applications will deliver well thought out recovery plans with an appropriate level of detail for a funding decision to be made.

**Q: Will the NLRF reimburse us for the income our provider(s) have lost since 20 March 2020?**

A: No. The NLRF will support providers and local authorities with the difference between forecast income and expenditure only in the period of 1 December 2020 to 31 March 2021.

**Q: Will the NLRF reimburse us for the increased costs of the leisure service since 20 March 2020?**

A: No. The NLRF only covers the period of 1 December 2020 to 31 March 2021. The NLRF will support the difference between Income and expenditure over that period.

**Q: My funding award is lower than the amount I applied for. Am I able to make an appeal against the decision?**

A: No. The award decisions of the NLRF are final, due to the need to maximise the impact of the fund in a short period.

**Q: My funding application has been rejected. Am I able to make an appeal against the decisions?**

A: No. The decision of the NLRF is final and there's no appeals process due to the time-limited nature of this fund.

**Q: I have a complaint about the application process, how I do submit this?**

A: As an organisation, we'll always listen to and respond to any concerns you may have. We'll keep all complaints confidential and only involve as many personnel or external parties as necessary. If you make a complaint, we'll treat you with respect and we expect you to treat our staff the same way. Making a complaint won't affect the level of service you receive from us.

If you'd like to make a complaint about either the service you've received from Sport England, or the way your application's been handled, please email the NLRF at [queries@nationalleisurecoveryfund.co.uk](mailto:queries@nationalleisurecoveryfund.co.uk). Please note, Sport England is unable to accept complaints relating solely to the decision made, rather than how it's made.

If you'd like more information regarding Sport England's complaints process, please go to our website at [www.sportengland.org/corporate-information](http://www.sportengland.org/corporate-information).

**Q: I have a facility that didn't reopen between the first and second lockdown but want to reopen it during the NLRF period. Am I able to include costs associated with reopening this facility and making it Covid-secure?**

A: Yes. The purpose of this fund is to encourage and support the opening of leisure facilities. Therefore, any costs incurred in reopening facilities are eligible under the NLRF.

**Q: My council's funding needs are significantly in excess of the proposed notional allocation banding, can this be varied?**

A: The total funding available to cover all authorities is limited, and it's recognised that some authorities will receive an allocation that won't be sufficient to bridge the full extent of the gap between income and expenditure across all their facilities. In this scenario, councils will need to identify the appropriate operational response at a local level, for example through the application of a partial and phased reopening where additional funding from other sources can't be identified to support the service.

**Q: I have a question that's not answered in this guidance. Is there further support available to answer my question?**

A: Yes. If you have a question this guidance doesn't cover, please email your query to [queries@nationalleisurecoveryfund.co.uk](mailto:queries@nationalleisurecoveryfund.co.uk) and a member of the NLRF team will be in touch.

**Q: I need additional support to complete my application. Is there any further help available?**

A: Yes, there are a number of leisure consultants who may be able to assist with applications. Please contact [queries@nationalleisurecoveryfund.co.uk](mailto:queries@nationalleisurecoveryfund.co.uk) if you wish to discuss this in more detail. This support would be funded by the local authority directly and wouldn't form part of the award.

**Q: Would I be able to sign up to the DataHub to receive a pre-populated application form and/or automate my monthly data submission for participation?**

A: Unfortunately, if you aren't already contributing to the DataHub it won't be possible to pre-populate an application form. However, by signing up to DataHub it'll be possible to automate your ongoing monthly data submission – please contact the DataHub team directly at [info@datahubclub.com](mailto:info@datahubclub.com).

**Q: What should I do if there's an error in my pre-populated participation information?**

A: The form will enable you to overwrite the data with the revised numbers. Please note, changes should only be made if the difference is significant and fundamental, double digit figures are not classified as significant.

**Q: My area's moved into a different tier/lockdown – how should I complete the application form?**

A: All applicants should continue with the preparation of their application and the provision of financial, and non-financial, information and narrative questions based on their recovery and reopening plans prior to the Tier 4 announcement (i.e. as at the point of the fund's launch on 14 December).

**Q: Can I use the award on costs incurred during lockdown?**

A: Given the changing circumstances with the latest lockdown restrictions since the NLRF applications opened, DCMS has agreed some changes to the criteria for how the award money can be spent.

Therefore, even though the applications should've continued to be made on the basis of the position as at 14th December, and include for the additional costs for reopening between the 1 December and 31 March; the award monies can also now be used towards the following costs incurred by your outsourced operators during this latest lockdown period:

- Utilities
- Staff costs not furloughed
- Essential asset maintenance
- Security.

In addition, recognising that lockdown has delayed any reopening plans, remaining monies for reopening can be utilised beyond the 31 March 2021. All award payments will continue to be made before the end of the financial year, i.e. prior to 31 March 2021.

**Q: Can a charitable trust be included in the application where the local authority doesn't own the asset?**

The objective of the NLRF is to support the reopening of public leisure centre provision with the fund focused specifically on supporting local authority outsourced provision. Leisure centres not included in the local authority's main outsourced contract could be eligible if the local authority considers the activity of the facility to be an integral part of their public service, and part of their leisure strategy, and there's some form of requirement/relationship with the authority to provide community benefit.

It's for the individual local authority to take a view on whether any facilities that sit outside of their core leisure centre portfolio represent an integral part of the public provision in the area and should be supported by a proportion of the authority's NLRF Award. In forming this view, some factors to consider could include:

- Is the facility a leisure centre and within the scope of this fund?
- Is the leisure centre operated by an external organisation (a charitable trust?)
- Is the prime reason for the organisation operating the facility to provide community benefit?
- Does the facility complement your other provision or compete with it?
- Do you reference the facility in the council's strategic leisure plan as an important element of the overall service to the public?
- Do you provide support, such as assistance with maintenance costs?
- If the facility was closed would you support reopening or need to replace the facility if permanently closed?

- Is the facility run mainly to make a commercial return?
- Would the council have an issue with state aid if it provided support?
- Is this a local community trust established to operate a centre which was asset transferred in order to maintain local provision?
- Has the council any form of contract or service requirement?
- Is there an obligation for the centre to operate public provision (in the requirements of the lease for instance)?

**Q: Can the local authority make the decision on the distribution of the notional funding allocation in the application, i.e. per provider? Or, will the funding award clarify the amount of funding per facility/provider?**

A: If the local authority has multiple providers, the support provided to each individual provider should be proportionate to the size of and provision of the centres and facilities they operate. Following review of the applications, further guidance will be provided via the funding agreement.

We'll also make it clear if any of the providers in the application were deemed to be ineligible as part of the assessment process. Please note, if it was felt one of the providers shouldn't receive funding then it wouldn't affect the funding for the other providers.

**Q: What facilities can be included in my application?**

On 20 October 2020, MHCLG and DCMS announced support totaling £100 million to support local authority leisure centres in England.

A leisure centre will most often combine a typical facility mix of swimming pool, sports hall and fitness facilities but will often have additional facilities.

For the purpose of this fund, a facility can be included in the application if it contains a range of facilities typically found within a leisure centre (although a stand-alone swimming pool will be acceptable) and provides a range of the activity areas typically included within such facilities. We've referred to these as primary activity areas for the purpose of this fund application process: swimming pools, health and fitness suites, exercise studios, sports halls, artificial grass pitches. There may be additional activity areas within the facility and these can be included in the submission as part of the wider offer of the facility as a whole. But the facility must include a range of the primary activity areas.

The facility must also be clearly an integral part of the local authority public leisure provision.

### **Q: Can you provide further details on what the monitoring and evaluation grant covers?**

Sport England will be automatically providing each local authority in receipt of an NLR award with an additional award that will be specific to monitoring and evaluation. The local authority will be contacted by Leisure Net Solutions with details of the proposed package. Leisure Net Solutions will complete this work with no additional resource required by the applicant. The local authority would be invoiced directly by Leisure Net Solutions for this service and must forward the funding on promptly.

- **What are the data requirements of the fund?**

From mid-February 2021, the local authority will be required to provide the actual data from their operator for the following as a minimum for up to 12 months; this should be standard information and mirrors in the information requested in the application form.

- income
- expenditure
- facility opening information, including average weekly opening hours
- capacity of facilities
- visits by activity figures. (including members and casuals).

Furthermore, the work carried out by Leisure Net will allow Sport England and the government to articulate what further support is required, by collecting additional information covering:

- Participants – total number of unique individuals that have visited the facility to do an activity in the relevant month (including members and casuals)
- Visits – total usage figures for the facility in the relevant month. (including members and casuals).

Broken down into the following categories on a monthly basis:

- age/age group
- gender
- IMD (deprivation decile)
- activity
- ethnicity
- disability
- concessionary.

The local authority will be asked to provide this additional information wherever reasonably possible and ideally in an automated fashion. This is done via a Data Use Agreement between the local authority and the DataHub. The majority of local authorities are already signed up to the DataHub and already benefitting from good monitoring and evaluation data on their service. If you're not currently signed up and would like further details on this service, please contact [info@datahubclub.com](mailto:info@datahubclub.com).

- **How do I this?**

The bullet points in blue would need to be provided in the same spreadsheet format as the application form, so that the actual performance can be compared with forecast performance.

We'd encourage all recipients of the fund to provide automated returns for the bullet points in red via the DataHub system which will then report directly to Leisure Net Solutions. If a local authority or the provider is not already a member of DataHub, please contact Sport England to discuss potential requirements for submissions outside of the system.

The data capture for the items in green will be captured through an online customer survey which Leisure Net Solutions will manage through their online platform. Further details of this will be discussed with the local authority/provider shortly after an award is accepted.

- **How will I see the results?**

Each local authority will be provided with a log in to our NLRF Monitoring Platform to be able to review their data and will be able to perform analysis against the sector data to understand the impact of coronavirus on their leisure services provision. The platform will include social value analysis using the latest research by Sheffield Hallam University and DCMS. There'll be significant benefit to the authority as this information will help to demonstrate the value of your service.

- **Why is this important?**

This data is vital as it'll enable analysis of the monthly data returns and comparison with wider data sets to understand the impact of the fund and the position of the sector nationally. The detailed data will allow Sport England and the government to articulate what further support is needed to help protect £6.4bn of social value created by leisure facilities. As a condition of award, failure to engage with the monitoring process for the NLRF will be deemed a material breach of the funding agreement and may lead to clawback.

- **Can you give me more information on the online customer survey, please?**

A vital part of the monitoring and evaluation is a quarterly online survey of customers using the centres. This will be a short self-completion survey that'll ask some key questions around the socio-economic profile of the user and the perception of their customer experience. It'll produce some key performance indicators about sites that can be benchmarked against national results from all other sites in England. This survey will be the largest survey of leisure centre customers ever carried out and will provide you and the sector with invaluable insights into our customer base.

The first survey is proposed to take place two weeks after customers return to using your sites. Leisure-net will provide each local authority with a unique URL/link for each of your sites, and this will need to be distributed via email to as many customers as possible that have visited the site in the previous two weeks. You'll probably need to co-ordinate this



distribution with the operator of your sites, as they'll hold this database. Subsequent surveys will be run for the next two quarters.

If the local authority/operator is signed up to 4Global's marketing intelligence module then the emails can be sent out via this system. If the local authority/operator isn't currently signed up to market intelligence, but would like to use this service, then please contact [info@datahubclub.com](mailto:info@datahubclub.com).

Local authorities will be able to review the results from the customer survey on the same NLRF monitoring platform as the authorities other financial and participation KPIs.

**Q: Is this grant funding considered to be state aid?**

A: Given the Brexit transition period has now ended, new rules on subsidy control apply in place of state aid – please refer to [government guidance for the latest information](#).

This grant funding is provided on the basis that it won't confer any economic disadvantage to the operators that wouldn't be available on market terms.

1. The payments to be made by the local authorities and the services to be performed by the operators fall within the parameters of existing, competitively procured contracts.
2. The payments to be made by the local authorities to the operators will be:
  - less than what's due under the competitively tendered contracts
  - no more than the minimum amount required to meet the operators' running costs, as measured through transparent open book accounting and national benchmarking.