

Enquiries to:

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Adrian Ballington
Greenwich Leisure Limited
Middlegate House
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27th May 2020

Dear Adrian

Assistance in Light of current Covid 19 Emergency

I write in accordance with the terms of the Agreement between Cambridge City Council (the 'Council') and Greenwich Leisure ('the Contractor') dated 29th September 2013 which commenced on 1st October 2013 ('the Agreement') to you as Contractor's Representative.

Background

The Coronavirus Act 2020 and the Health Protection (Coronavirus, Business Closure) (England) Regulations 2020 ("the Regulations") made under that Act have resulted in the closure of all facilities operated under the Agreement and financial difficulties for the Contractor in the operation of the Agreement and its broader business under other contracts with parties unrelated to the Council.

Epidemic is not cited in the exclusive definition of Force Majeure events in the Agreement.

We consider the current Regulations to be a Change in Law under per clause 37 of the Agreement.

Clause 8.6 of the Agreement provides for variation of the Service at short notice due to unforeseen circumstances. The Council are satisfied that the Regulations are such an unforeseen circumstance.

Clause 37.6 sets out a procedure through which the consequences of the Change in Law may be reflected so as to minimise impact and disruption to Service.

It is clear that:-

- there are considerable uncertainties as to the duration of the present Regulations and what changes will be required to the Service immediately and in the long term.

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- the Contractor requires immediate financial assistance to fulfil its obligations under the Agreement and maintain its general business.
- the Council has some discretion to provide assistance to its suppliers including the Contractor under current Central Government Guidance in particular PPN02_2020.
- its not possible to determine what if any assistance the Contractor might receive from its other clients, central Government or other bodies.

The Offer

Therefore the Council offers the Contractor a loan of [One Hundred and Four Thousand Pounds (£104,000)]('the Loan') payable by 19th June 2020 upon the following conditions:-

1. The Loan to become repayable immediately if the Agreement becomes subject to termination for any reason including but not restricted to the Contractor ceasing to trade prior to 1st April 2021 after which date, the loan shall become an unrepayable grant to the Contractor.
2. The Contractor warrants that it is and will remain solvent within the meaning of the Insolvency Act until at least 30th June 2020.
3. The Contractor will actively and fully co-operate with the Council to provide all data and business plans appropriate for it to deliver and agree with the Council a substantial variation to the scope and provision of the Service in accordance with clause 8 of the Agreement by 15th June 2020, which:-
 - a. immediately reduces the scope and cost of the Service to the minimum level reasonably necessary to enable the facilities to be open for business again on 1st July 2020 if permitted to do so by the Regulations and
 - b. for the Service to be operated at minimal cost with the premises inactive or mothballed at minimal cost from 1st July 2020 if the Regulations do not permit the Service to resume on that date for a period of at least 4 months
4. The Contractor actively undertakes to seek and obtain the maximum assistance possible from its other clients, Central Government and or any other sources so as to minimise its financial losses before requesting from the Council an increase in the Management Fee and or any other financial support.
5. The Council is not and will not be bound to provide any further assistance to the Contractor other than that provided for in the Agreement.
6. This offer must be accepted in writing as set out below and remains open for acceptance until 5pm on Friday 29th May 2020 and if not accepted by the time shall terminate immediately.

Can you please indicate your acceptance of the above terms by signing below where indicated and returning to me one copy of this letter.

Yours Sincerely for Cambridge City Council

Ian Ross

Sport & Recreation Manager

Authorised Client Officer

Cambridge City Council



Agreed for Greenwich Leisure Limited by

Authorised Representative

Dated