

Public Leisure in Wales at Risk

Public leisure is still feeling the impact of the Covid-19 pandemic. While all facilities and services have reopened, months of closure have led to changes in lifestyles and habits, and the public has not returned to using leisure facilities to be physically active to the same level as pre-Covid.

In addition, the cost-of-living crisis is putting unprecedented pressure on businesses and the public. This has led to a crisis point in public leisureⁱ where operators are reporting unsustainable increases in costs, paired with stagnated return rates and reduced levels of income.

The public leisure sector is requesting an urgent response from Welsh Government with:

1. Direct financial support for the energy crisis for local authorities and their partners.
2. Encouragement to local government to fulfil their responsibilities under the Well-being of Future Generations Act by investing in public leisure and culture as essential services.
3. Long-term revenue funding to local authorities to enable them to invest in public leisure and culture, delivering preventative health interventions in partnership with public health.

With the energy and cost of living crises continuing to worsen and inflation not expected to reduce to normal levels until 2024-2025, we outline the risks to public leisure.

What are leisure trusts?

Leisure facilities in Wales act as central hubs for community activity. This includes a wide range of sessions and opportunities for the full demographic within villages, towns, and cities across Wales.

Half of all public leisure in Wales is managed by leisure trusts. These are charitable, non-profit distributing organisations that operate on small margins. Any profit that is generated is reinvested into providing accessible services for local communities.

These organisations do not have shareholders and are not private businesses. They are governed by Trustees from the local community, are transparent and share a fundamental belief in working with others for the benefit of all. Charitable trusts manage public leisure in partnership with Councils.

What would be the risk of not supporting public leisure?

If public leisure is unable to remain viable, not only do we risk losing charitable organisations that are rooted in their communities, but it will have a significantly adverse impact on population health and wellbeing, increasing social isolation and worsening health inequalities through the loss of:

- Access to swimming, which is a life skill.

- Local pools offer Learn to Swim programmes and run primary school swimming programmes for children across the country with a KPI that all children can swim 25m by the end of key stage 2 (primary education for pupils aged 7 to 11).
- There is an average of 575 children on learn to swim programmes per public leisure facility with a pool.
- Access to regular exercise and lifestyle routines. There are an estimated 625 regular users per facility.
 - In addition, public leisure facilities are also the home of many community clubs, groups, national governing bodies, and elite athletes. This includes local swimming or football clubs, youth clubs, dance centres, dementia support groups, and self-help groups for disabled children and their immediate families.
- Sports development programmes working with wider voluntary and community sector organisations to bring sport and physical activity to the local area.
- Holiday clubs and activities for children and young adults.
- Activities and clubs for people with disabilities and children with additional learning needs.
- Free-swimming initiatives Lower Super Output Areas (LSOA). The free-swimming initiative, funded by Welsh Government through Sport Wales, is delivered for under 16's and over 60s, within targeted areas of deprivation.
- Concession schemes to reduce cost as a barrier to be physically active.
- Delivery partner for the National Exercise Referral Scheme.
- Dedicated health and wellbeing programmes.
 - These include prehabilitation, rehabilitation and preventative services such as pulmonary rehabilitation, falls prevention, weight and ill health management, and social prescribing.

Economic context

The cost-of-living crisis comes at a time where public leisure has not yet fully recovered from the Covid-19 pandemic.

At present, customer numbers, and therefore income for public leisure, remain reduced having stagnated since October 2021 – with most in the sector reporting a return of 80% of pre covid levels. This means that at present there are already fewer people being physically active in leisure centres than there were prior to the Covid-19 pandemic.

The situation is likely to get worse as summer is traditionally a quiet period for the sector and the reality of people having less disposable income and ability to afford public leisure services. While the Welsh Government fuel support scheme will aid people, this is not enough to put the spend back into leisure. Families and individuals will continue to feel pressure to review their outgoings and it is often leisure activities that are cut as a 'luxury'.

Public leisure services are impacted by the cost-of-living crisis. Data from the Community Leisure UK membership shows that for operators in Wales, energy costs could be as high as a 200% increase when compared to 2019.

Councils are also facing financial pressures with rising energy costs and are unable to support their charitable trust partners with the scale of the increase. Where they do support, or where the Local Authority manages the services themselves, costs are currently mitigated through a larger corporate budget covering all Council-run services, but with the caveat of inevitable service reduction in the next financial year as budgets reduce.

Most leisure trusts are in an energy basket through their Local Authority partner, accessing more favourable rates, but many face contract renewals after the summer.

Some leisure trusts have been given a three-fold projected price increase for when contracts are renewed, which they are unable to afford. In other cases, Councils may pay for some of the utility bills of their trust partner as per contract arrangements, but to compensate for the unprecedented increase, they have reduced their management fees, paid to the leisure trust partners. This impacts the finance for public leisure programming, reducing the funding available to continue to deliver wider wellbeing services.

What has been lost already?

Mitigations have already been put in place to manage the increased costs, focusing on maximising energy efficiency, and reducing costs. However, there are no further areas to look at for cost reduction. Current mitigations include:

- Activity price increases in line with inflation
 - One operator increased prices by 4% in January 2022 and a further 6% from 1 July, in agreement with the Local Authority.
- Closing facilities when there are no activity bookings.
- Later opening of facilities during weekends, reducing general access.
- Reducing social activities/programming such as access to skate parks.
- Reductions in pool temperatures.

What are the implications of mothballing a leisure facility?

Once a facility is mothballed, there is no guarantee that it will reopen. In addition to the community impact, it will also significantly impact on the local economy. Leisure trusts in Wales are important local employers, collectively employing over 3000 staff. Individual sites require up to 200 staff members, dependent on size and facilities, and these individuals' livelihoods would be at risk in the event of mothballing, as there is no longer any furlough support.

Two thirds of the public leisure building stock is past its replacement date. In many cases, relying on older equipment which is at risk of breaking when shut off for prolonged periods of time.

Moreover, as we saw during the Covid-19 pandemic, there are health and safety as well as technical considerations when facilities are closed, that will delay a reopening. This includes redoing risk assessments, staff training, reinstating water and air circulation, testing systems, readjusting pool chemicals, and testing for legionella infections.

Public leisure's ambition to move to green energy

The public leisure sector has already made investments to reduce its energy usage and decarbonise its facilities. This includes switching to LED lighting, switching off equipment when not in use, improving insulation, using pool covers, and investing in solar panels and other decarbonisation projects through the Welsh Government Energy Service and Salix Finance.

However, delivery of these projects is a medium to long term ambition.

While leisure facilities are consistently in the top 5 most carbon intensive buildings in a local authority area¹, leisure trusts are unable to make further investments without sustainable financial support into their services. There is currently no possibility of investing significant amounts into retrofitting or upgrading facilities due to the fragile financial landscape. The supply chain and labour shortages are also pushing prices up rapidly for these projects, and there have been significant delays and cost increases, with some projects reporting a 100% increase in cost compared to original estimates.

Further background information

Direct support for public leisure was withdrawn at the end of March 2022 – the Local Government Hardship Fund had specifically supported public leisure provision during the Covid-19 pandemic. This support is now wrapped into the revenue support grant received by Local Authorities, however, we are hearing reports that this is not reaching leisure services. Specifically, the feedback is that Councils do not recognise having received any uplift in revenue funding to support leisure trusts with ongoing Covid related pressures.

Energy forecasts amongst our membership suggest a further rise in 2023. It paints a bleak picture for the sector; especially for operators of large facilities, including swimming pools, theatres, events spaces and heritage buildings. This is despite various energy saving mitigations already put in place.

ⁱ A snapshot of some of the recent media coverage, though not a comprehensive list.

[Britain's lidos face sink or swim moment after heatwave high](#) – The Telegraph

[An “existential threat” to pools in Wales](#) - BBC

[“80% pools under threat”](#) - STV

[Cost of Living](#) - Sky News

[Teetering on the Brink](#) - Local Government Chronicle

Ends. July 2022.

¹ As identified through the ‘opportunity identification’ of the Welsh Government Energy Service.