



Dawn Bowden MS  
Deputy Minister for Arts and Sport

Rebecca Evans MS  
Minister for Finance and Local Government

Vaughan Getting MS  
Minister for Economy

30<sup>th</sup> June 2022

Dear Ministers,

We are writing you as the membership bodies representing public culture and leisure in Wales. We are extremely concerned about the impact of the current economic climate on the delivery of public art, culture, sport, physical activity, and leisure services, which accommodate services provided via and for Public Health Wales and NHS Wales. However, the current risk to the viability of these services has the potential to worsen inequalities if urgent action is not taken.

We are contacting you as the responsible Ministers for our sectors, local government and the Welsh economy but have also sent copies to your colleagues across our sector's arm-length bodies as our concerns require an urgent and aligned response from Welsh Government, Arts Council of Wales and Sport Wales.

Public culture and leisure urgently need support from Welsh Government with:

- Long-term funding to local authorities to enable them to invest in public leisure and culture, delivering preventative health interventions in partnership with public health.
- Encouragement for local government to invest in public leisure and culture as essential services, in line with their responsibilities under the Well-being of Future Generations Act.
- Financial support around the energy crisis for local authorities and their partners. Welsh Government to work with UK Government on this as a matter of urgency and priority.

This letter sets out the current landscape for public culture and leisure and highlights the risk if no further support is forthcoming.

### **The current public culture and leisure landscape**

In the past two years, various forms of government-backed financial support have supported public culture and leisure, most notably the Coronavirus Job Retention Scheme, the Culture Recovery Fund, and the Hardship Fund for local government.

With this support having stopped as we emerge from the pandemic, the revenue support grant received by Local Authorities is now the only source of funding and our members are reporting that this is not reaching culture and leisure services. Specifically, Councils do not recognise having received any uplift in revenue funding to support them with ongoing Covid related pressures outside of social services.

While Covid has not gone away and people have changed their habits and expectations, there is now no financial support to manage the long-term impact of Covid-19 on the public services that our members provide and to mitigate the impact of the current energy crisis.

Community Leisure UK has been reporting on the spike in energy prices and the financial challenges this poses to leisure and culture trusts<sup>1</sup> since the start of this calendar year. Their report in May<sup>2</sup> showed that for operators in Wales, energy costs could be as high as a 200% increase when compared to 2019. Other operators have noted a £40k year-on-year increase in costs for gas alone in April 2022, with fluctuations continuing every month.

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.

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, including energy efficient lighting and air handling units, improving insulation, and use of pool covers, but many are unable to make further investments without sustainable financial support into their services.

At present, customer numbers, and therefore income for public culture and leisure, remain reduced having stagnated since October 2021 – with most in the sector reporting a return of 70-80% of pre covid levels. We expect to see this continue to flatline at best over the coming months, but it is likely to reduce again, with the impact of increased and prolonged inflation reducing people's disposable income.

### **Risks**

We are concerned that as households' disposable income falls, culture and leisure will be treated as a 'non-essential' good, thus reducing participation in public arts, culture, sport, physical activity, and leisure.

The positive contribution of culture and leisure on people's health and wellbeing is well-documented, but the lack of financial support is currently putting the sustainability of these valuable services at risk. This will inevitably lead to difficult decisions being made around which services to run and which are no longer viable or need to operate with reduced hours.

Without immediate additional financial support there is a very real threat of:

- Changes in opening hours and restrictions on activities
- Significantly increased prices for customers in line with inflation
- Job restructuring, with potential inability to afford pay increases and redundancies
- Facility closures

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<sup>1</sup> Leisure and culture trusts are charitable non-profit-distributing organisations who manage the public leisure and cultural services in partnership with the Local Authority.

<sup>2</sup> <https://communityleisureuk.org/work/latest-sector-landscape-reports/>

We are already witnessing changes in opening hours, restrictions on activities and increased prices for customers. Price increases are unavoidable as operators have to charge their increased costs back to customers while their income stays suppressed, which is a decision they take in collaboration with local authorities. While concessionary prices stay in place for those who need it, the overall price will also increase for those programmes. This means that the most vulnerable in Wales society will be affected to a greater degree, which will add pressure into the NHS and undermine outcomes set out in the Healthy Weight Healthy Wales strategy.

Looking ahead, limited access to public leisure and cultural facilities will not only impact on clubs and community groups who rely on these facilities to come together, but it will hit those who need community venues the most. To illustrate, a recent report by Libraries Connected showed that 44% of library services have already seen increased demand due to the cost-of-living crisis, and over 80% expect an increase in people using libraries to keep warm next winter<sup>3</sup>.

### **Request for urgent support**

We know that the Welsh Government wants to eliminate inequalities in all forms. It is vital that this includes access to public leisure and culture. Public culture and leisure have received significant and welcome support from Welsh Government throughout the pandemic, but now need immediate financial support.

Please do not hesitate to contact us if you require any further information or insight. We would welcome an opportunity to discuss our concerns further with you and to work together to support our collective members.

Your Sincerely,

Caroline O'Neill  
Vice Chair  
Culture and Leisure Officers  
Association (CLOA)  
Strategic Manager, Rhondda  
Cynon Taf County Borough  
Council

Steve Ward  
Director for Wales,  
Community Leisure UK  
Chief Executive, Newport  
Live

Matthew Williams  
Acting Chief Executive,  
Welsh Sports Association

*And*

Ian Jones,  
Executive Committee  
Member, Cultural and Leisure  
Officers Association (CLOA)  
Head of Leisure,  
Carmarthenshire County  
Council

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<sup>3</sup> <https://www.librariesconnected.org.uk/news/libraries-connected-calls-increased-support-library-services-amid-cost-living-crisis>

cc: Lawrence Conway, Chair Sport Wales  
Baroness Tanni Grey-Thompson, incoming Chair Sport Wales  
Brian Davies, Interim CEO, Sport Wales  
Phil George, Chair Arts Council of Wales  
Michael Elliott, Interim CEO, Arts Council of Wales