



Summary Report: Current Landscape for Leisure and Culture Trusts and Community Pools in England

The current landscape for leisure and culture trusts and community pools in England is increasingly challenging. It is clear that the *status quo* is no longer possible to maintain. Based on a series of interviews with members¹ in November, and with the caveat of some uncertainties around finances from both local authority settlements and UK Government Energy Support, the landscape for the provision of public leisure and culture is unsustainable.

As of mid November 2022, **75% of our members are at risk**, ranging from those that are in crisis now to those that can see the crisis point on the horizon. However, this is a moving picture, with a fine line for many between being stable and tipping quickly into crisis.

Financial impact

The provision outturn position for members in England at the end of the current financial year is challenging, with **over a third of members forecasting a deficit budget**.

In addition, **reserve levels are being significantly depleted** with three members forecasting to have zero reserves by the end of the current financial year, using these to support spiraling costs. Many others anticipate using significant amounts of reserves in the coming financial year.

Impact on provision

To date there have been numerous closures across England, resulting from venues that did not reopen post-Covid, facilities undergoing maintenance work, or venues closed as a mitigation measure to reduce costs.

There are some venues that have temporarily closed, either due to staffing shortages or as a mitigation measure for increasing energy costs. Although there is a lack of certainty around future closures, depending on financial support and energy costs, there will almost certainly be significant closures across the country. **21% of members are currently in discussions and planning around the impact of closures**, in some instances of significant numbers of venues.

¹ Based on interviews with 63% of members



Customer return rates

Returns have been steadily increasing, with most members reporting **80-90%** as compared with pre-Covid figures. However, staff shortages have also impacted on customer returns, with some trusts and services reporting only 50% return to pre-Covid participation levels.

Across cultural venues, some theatres have been slow to recover, with a sense of anxiety among some parts of the population to return, though this is now improving. Libraries have seen some of the slowest recovery in terms of footfall, though with a significant increase in digital engagement and accessing resources.

Workforce

Public leisure and culture continue to experience significant challenges with the recruitment and retention of staff, particularly swim teachers, sports coaches, lifeguards, technical staff in theatres and hospitality staff.

Many members went through restructures and redundancies during Covid, and many have implemented a recruitment freeze in order to address both financial and staffing pressures. However, it is likely that there will be further redundancies, with 17% confirming that they are planning or have started the redundancy process. With regard to pay awards, these have been higher than many organisations had budgeted for as a result of the high rate of inflation, coupled with increased competition from other sectors for staff.

The 2022 annual Community Leisure UK HR survey showed that the average annual permanent staff budget had more than doubled, and average annual casual staff budget had more than tripled since September 2021.

Utilities and operating costs

Escalating utility costs are undoubtedly the key pressure for many members, with some receiving support from local authorities, though many local authorities are unable to support due to the scale of the increase. There is real concern, even from those not currently impacted, as to what the future trading will be once contracts end. The energy price cap has provided some relief, but even with the cap, rates for many are far higher than last year.

Property costs and building maintenance are also a significant pressure, particularly where there are aging facilities in need of refurbishment or replacement, which is hampered by the escalating costs of materials and labour



Support required

There is an urgent need to support public leisure and culture to ensure that these services are protected and able to continue their vital work supporting the health and wellbeing of communities across England.

We urgently need:

- An extension of the energy price cap to cover charitable leisure and culture services;
- Flexibility and innovation from local authorities to enable their leisure and culture trusts to respond to the challenging circumstances and make decisions based on community need and sustainability of services.
- Funding to support the unprecedented increases in costs with a joint approach across Central Government and Local Authorities and discussions across a range of policy areas.