



# Community Leisure UK Autumn Budget 2024 / Spending Review - Stakeholder Representation

## 1. Introduction

As part of the new Government's Autumn Budget 2024/Spending Review call for stakeholder representations, Community Leisure UK is pleased to submit the following representation on behalf of its membership. We ask the Government to recognise the value of public culture, leisure and sport services and to protect and support their sustainability through closer working with health and investment. Our asks:

1. For Leisure and Cultural Services to be valued as wellbeing services with a robust commitment to multi-year funding to protect and sustain these core public services.
  - a. Adequately resource local authorities and provide multi-year funding to enable longer term planning of local services and budgets.
  - b. Recognise public leisure and physical activity services as active wellbeing services.
  - c. Value public culture services as supporting community health and wellbeing.
2. Commit to fund public leisure and culture services to enable operators to pay a minimum of Real Living Wage
  - a. Resource local authorities to enable them to support their culture and leisure trust partners to pay the Real Living Wage to their workforce.
3. Put social value at the heart of any commissioning of services, particularly public services with an inherent social value in their purpose and recognize impacts beyond the purely financial.
  - a. Prioritise social value in the commissioning of any public services, recognising the inherent social value and not focusing purely on cost.
4. Invest in the infrastructure and aging estate to redesign, upgrade and renovate culture and leisure facilities to ensure their energy efficiency and reduction in carbon emissions. About Community Leisure UK
  - a. Invest in the infrastructure and estate of public culture, leisure and sport services.
  - b. Resource local authorities adequately to enable them to undertake a planned maintenance and repair programme on their estate and invest in upgrading facilities on a regular basis.

CLUK is a members' association representing registered charities, societies or community interest companies with a public benefit asset lock (Trusts) delivering public leisure, sport and/or arts and culture services for communities across the UK. Trusts provide physical activity, cultural engagement and social opportunities and are significant partners within their local communities.



CLUK has 100 member Trusts, operating over 2300 facilities, including: over 550 cultural facilities (theatres, libraries, cinemas, galleries, museums etc.), 1000 leisure centres, 650 green spaces, among other facilities including community and town halls. Members range from small Trusts operating one or two facilities, to larger Trusts operating in multiple geographical locations. Members employ over 41,000 staff (the majority aged 18-34) and engage over 17,500 volunteers across a range of leisure and cultural services.

Last year (2023) members received over 210 million customer visits, generating a combined turnover of more than £1.3 billion. Trusts play a major and distinctive role in the national delivery of vital local services and CLUK works closely with its members and many national bodies to assist this role and support best practice. Significantly, the collective social value for our members is over £893 million, with savings in health of over £152 million.

## Background

According to the IFS<sup>1</sup>, in England, councils' overall core funding is set to be 9% lower in real terms and 18% lower in real terms per person this year than at the start of the 2010s. The reduction is set to be larger for councils serving deprived areas than for the less deprived areas. This inevitably impacts on our members as many receive management fees from local authorities, but there is a move by some local authorities to request profit share agreements or rental payments from trusts contracted to deliver public leisure and/or cultural services. Combined with a backlog of maintenance and refurbishment required for an aging estate across the country, this creates a challenging financial operating landscape.

### Increased Operating Costs

In November 2023, our members' survey shows that 62.5% of members were forecasting a deficit end of year budget position, with 37.5% forecasting a break-even position. If we look at reserve levels for leisure and culture trusts, there has been a drop in the levels over the last year, which is a result of some members being forced to use reserves to maintain their current business operations over the last year, which is clearly an unsustainable position.

There have been widespread price increases across public leisure and culture. The highest increases have been across pay as you events/activities (8% average) and hospitality (9% average) with regular memberships more protected (6% average increase). Nevertheless, price increases vary greatly by organisations, and can be as high as 20-35% for some organisations.

Energy is one of the largest operating costs for our members, with costs having risen exponentially during the peak of the energy crisis. However, though costs have fallen, they remain higher than pre Covid levels – for many members this is double or triple what they were paying for energy in 2019.

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<sup>1</sup> [How have English councils' funding and spending changed? 2010 to 2024 | Institute for Fiscal Studies \(ifs.org.uk\)](https://www.ifs.org.uk)



### Impact of Rising Costs

As a result of the perfect storm of increasing operating costs and decreasing funding, many members have had to look at efficiencies in the form of reducing opening hours of venues, reducing the breadth of programmes and services, particularly those that are less financially profitable, and to consider in some cases the permanent closure of facilities.

There have also been price increases for programmes, activities and memberships though with care to protect concessionary rates and access as a priority. However, for some people within communities, what was once affordable in terms of discretionary spend has become far less affordable due to the increased cost of living, with difficult decisions being made by individuals and households on where they spend their limited disposable income.

## Our Commitments

We recognise the role of our members in supporting the new Government, and local government, with the delivery of their priorities and outcomes. Our members are committed to working to support local and national priorities, reflecting the needs of their local communities. As a collective, our membership commits to:

- Support communities to be healthier, happier and more creative.
- Connect and collaborate with NHS colleagues and health care professionals to enhance referral pathways and improve outcomes in population health.
- Work closely with local authority partners as part of a whole systems approach to achieve shared outcomes and create a cohesive and connected community.
- Offer fair work opportunities with career pathways that focus on equality and diversity in the Charitable Trust & Social Enterprise sector.
- Be a key part of the social economy; work with partners to understand the inherent social value in public services and to embed social value monitoring and evaluation as standard.
- Support local authorities to achieve their net zero targets and commit to environmental awareness training for all staff.



## Our Asks

For Leisure and Cultural Services to be valued as wellbeing services with a robust commitment to multi-year funding to protect and sustain these core public services.

### **Multi-year funding for local authorities**

Where our members have a contract with a local authority partner, or with other local stakeholders, for the delivery of public leisure or cultural services, there is a challenge of yearly budget setting, resulting in short-term thinking and planning. We appreciate that local authorities are under significant financial pressures and we echo the LGA's call for sufficient funding levels to enable councils to rebuild local service provision<sup>2</sup>, but also to transform services. According to Campaign for the Arts *State of the Sector* report, the UK has one of the lowest levels of government spending on culture among European nations. Local government revenue funding of culture and related services decreased by 48% in England between 2009/20 – 2022/23.<sup>3</sup>

It is difficult for any organisation to have a long-term strategy or plan while working to an annual budgeting cycle. By resourcing local authorities appropriately, they would, in turn, be better able to support their delivery partners with multi-year funding.

### **Investment in change**

We understand that the landscape is changing for how people want to use local and public services, and there needs to be time and space to consider the future delivery of services and what communities of the future need and the role of public culture and leisure in supporting these communities.

Meaningful change does not happen without the time and space to consider the approach and impact. There must be investment in the change process to ensure that we do not simply reduce and cut services as budgets continue to tighten.

### **Active Wellbeing Services**

As outlined in the recent report, *An active wellbeing service: A movement for change*<sup>4</sup>, we need to embrace the role and diversity of the community, voluntary sector and private sector, to build connection, capacity and sustainability. Leisure centres are moving towards the Active Wellbeing Hub model, supporting a wide range of opportunities and activities.

As highlighted by the National Sector Partners Group, there is no growth without health, physical activity, sport, leisure and recreation are key for improving population health and preventing illness.

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<sup>2</sup> [Local government finances and the impact on local communities | Local Government Association](#)

<sup>3</sup> [The State of the Arts | Campaign for the Arts](#)

<sup>4</sup> [\(Full Version\) An Active Wellbeing Service: An Movement For Change \(cloa.org.uk\)](#)



Physical activity saves the NHS £9.5 billion every year by preventing illness and generates £85 billion annually in economic value.<sup>5</sup>

We echo the call in *An active wellbeing service: A movement for change* to develop within the first year of a new Parliament a 'Preventive Health Strategy' that addresses the wider Social Determinants of Health. We also call on the Government to introduce a prevention threshold for ICB budgets, requiring ICBs to allocate a set percentage to prevention, through commissioning strategies overseen by Integrated Care Partnerships.

## Commit to fund public leisure and culture services to enable operators to pay a minimum of Real Living Wage

### **Fund local authorities to enable them to support their culture and leisure trust partners to pay the Real Living Wage to their workforce.**

Our members are unanimous in their desire to pay competitive wages to their workforces, recognising the value that every member of staff plays within our member organisations. However, the aforementioned increasing operating costs and recognising the need to ensure pricing remains affordable and accessible for people to access leisure and cultural opportunities creates a challenging financial position. The significant increases in the National Living Wage and Real Living Wage in recent years, with the increase in 2024 being 9.8% in April 2024, is a challenge from an affordability perspective.

Where a trust has a contractual relationship with a local authority partner, there may be an expectation that all staff are paid either National Living Wage or Real Living Wage. However, there needs to be recognition and understanding of the affordability challenges with this, with pay award support offered from a local authority to enable trusts to meet this requirement.

For the first time, in the 2023 Annual Community Leisure UK HR Survey members were asked whether they currently pay the Real Living Wage and whether they are planning to do so in 2024/25. Currently 38% of responding trusts pay the Real Living Wage, while only 27% plan to in 2024/25. We cannot expect to have thriving public services, regardless of delivery model, without fair pay to attract talent into the workforce and retain the expertise and passion of those who work in public service delivery.

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<sup>5</sup> Sport England



Put social value at the heart of any commissioning of services, particularly public services with an inherent social value in their purpose and recognize impacts beyond the purely financial.

**Prioritise social value in the commissioning of any public services, recognising the inherent social value and not focusing purely on cost.**

By prioritising social value in the delivery of public services, with an understanding that public benefit organisations such as leisure and culture trusts have inherent social value in their core purpose, we can refocus on value rather than cost in the commissioning of services. Charitable trusts play a significant role in supporting their local economies. They are important local employers and put people above profit. Where possible, they seek to purchase from local supply chains and, crucially, reinvest every pound of profit into services and facilities. They do not extract profit.

Leisure and culture trusts deliver public services with people and place at their heart. Leisure and Culture Trusts exist to and inherently provide Public Value, of a unique and essential kind (provided they promote their purposes efficiently).<sup>6</sup>

We also urge the Government to promote the NHS Provider Selection Regime options of direct award process or most suitable provider, which enables a faster and less bureaucratic approach to selecting an appropriate provider for health care services. As many of our members are commissioned by health partners for specific programmes and interventions, by streamlining and simplifying this process, enables a more cost effective use of resources where there is a clear case for a preferred provider or a proven track record.

Invest in ageing leisure and cultural stock to ensure they can operate efficiently with new greener technologies, safeguarding them for future generations.

**Invest in the infrastructure and estate of public culture, leisure and sport services.**

Leisure and culture trusts continue to operate out of ageing buildings with significant maintenance backlogs. In England, the average age of facilities operated by our members is 54 years old. For Single Site operators, the average facility is 53 years old.

There are a significant number of facilities that are at the end of their lifespan in the next decade – at least 230 reported across the membership (across the UK). The buildings that remain open need significant capital investment to address a maintenance backlog, poor construction, broken or end of life equipment, and to meet net zero targets. Refurbishment requirements can range from £15k to £300 million per locality per year for the next five years. This is likely a conservative estimate as some members report that the true cost is unknown as either their contract stipulates that maintenance

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<sup>6</sup> [Leisure-Trusts-and-Progressive-Commissioning.pdf \(communityleisureuk.org\)](https://communityleisureuk.org/Leisure-Trusts-and-Progressive-Commissioning.pdf)



remains the responsibility of the local authority and/or there have been nor recent conditions surveys done.

Whilst the Swimming Pool Support Fund in England was a welcome lifeline for members, this was not enough to modernise the building stock. These one-off grants cannot replace sustained multi-year funding agreements.

Public leisure and culture facilities have an important role to play in achieving Net Zero and supporting the clean energy transition. Operating from ageing buildings means there is a high energy demand due to poor insulation, ageing heating and cooling systems, and high usage. Public leisure facilities are consistently in the top 5 highest carbon emitting buildings in a local authority area, and, according to Arts Council England, all cultural facilities managed by their National Portfolio contributed 72,644 tonnes of CO<sub>2</sub>e in 2022-23 for which 74% stems from energy consumption (electricity and gas)<sup>7</sup>. Capital investment is needed to both reduce the sector's demand for energy and implement sustainable energy sources.

**Ends.**

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<sup>7</sup> <https://www.artscouncil.org.uk/developing-creativity-and-culture/environmental-responsibility/culture-climate-and-environmental-responsibility-report-202223>