



Bryony Houlden
Chief Executive

Dennett House
11 Middle Street
Taunton
Somerset
TA1 1SH

Tel: 01823 270101
Fax: 01823 425200
www.swcouncils.gov.uk

Mr Nigel Huddleston MP
Parliamentary Under Secretary of State for Sport, Tourism and Heritage
26 Whitehall
SW1A 2WH

13 July 2020

Dear Nigel,

Leisure Provision in the South West

This letter is written following the letter of the 25th June from SW CEX Leisure Working Group. As promised, the Group has been considering the matter in more detail and we thought that it would be useful to share some of the data that has been collected from councils within the South West.

Financial Impact

As mentioned in the earlier letter, local authorities are being asked to financially support leisure providers. That support can take different forms. Councils are providing rent deferrals, underwriting expenses, waiving management fees, providing one off payments and loans and also giving support on a monthly basis.

It is very difficult to quantify the total amount involved across the region because of the different arrangements in place but the data from some of the councils shows that around £5,000,000 has already been provided by the councils in the form of direct cash payments in order to support their leisure provision. One council has provided £500,000 in cash support as well as waiving a management fee of £328,000 and waiving other income of around £200,000.

Councils also indicate that they fully expect to be asked to provide further financial support beyond the initial period of lockdown and going into subsequent years.

Some councils are still negotiating with their providers and we are aware that some of those discussions involve multi-million pound figures.

Based on the data received, it is estimated that across the whole South West region, for 20/21 councils are anticipating around £14,400,000 of additional costs pressures and £10,100,000 of reduced income in relation to their leisure services.

Some leisure providers that are charities are also looking for councils to underwrite losses in order to satisfy Charity Commission rules. Without that, they will be required to close.



INVESTOR IN PEOPLE

Around 50% of respondents have indicated that their leisure partners are making staff redundant. Total numbers are not known but one Council is reporting that their operator is making around 100 people redundant. Many casual staff or self-employed coaches etc are also being laid off. This is despite the significant financial support that is being provided by councils. That in itself should be ringing significant alarm bells and raising worries about the potential loss of some significant providers and the potential loss of community based activities.

It is accepted that we now have a date for the reopening of facilities but the financial pressures being felt at present will not simply disappear after the 25th July. There will be a significant period during which usage will be lower than it was pre-lockdown. Usage figures may never return to those levels especially in those facilities that are unable to operate at capacity because of the necessary social distancing requirements. The councils represented on the Group anticipate that the implications of the current crisis will be felt in future years as well.

Councils do not yet know what long term impacts this will have. If operators have to run with less customers able to access the facilities, then this will surely be felt in later years when contracts come up for renewal. This loss of any significant operators during this period would also have an impact on the market and increase costs.

Whilst further guidance on the latest funding announcement is still awaited, it is anticipated that whilst the loss of income being experienced by councils with in-house leisure provision will be covered, the financial support provided and lost income incurred by councils with outsourced provision will not. The majority of councils have outsourced provision and so a very significant financial impact on councils is currently being ignored.

Community Impacts

The previous letter highlighted the important role that council owned or provided leisure facilities have in creating inclusive and healthy communities. The importance of this sector at the current time and in preparation for any second peak is shown by research highlighting the additional risks of Covid 19 to those that do not maintain healthy lifestyles. Only very recently, the Deputy Chief Medical Officer has highlighted the fears of a second wave of infections and has urged people to take action such as losing weight to improve their fitness and therefore their chances of surviving the illness.

The information gathered shows the following in relation to the relevant councils: -

- (a) Total visits to leisure centres exceed 64,000,000 per annum,
- (b) 900 clubs of different types are supported by and use the leisure facilities,
- (c) 650 schools use the leisure facilities,
- (d) Around 4700,000 users come from low income, socially excluded or BAME groups, groups that are now known to be disproportionately affected by the coronavirus,

- (e) 16,000 users come through social prescribing systems or other similar referrals, and
- (f) 70,000 individual members of swimming clubs use the facilities.

These figures show the importance of leisure centres to local communities and in particular to those groups, for instance from low income households, that would find it difficult to access leisure facilities without them. The private sector is very good at providing gyms, but it is local authorities that provide swimming pools and other facilities which do not tend to be highly profitable. Whilst the leisure centres provided by local authorities necessarily have commercial elements, they are true community facilities which will be extremely difficult to replace.

Some authorities are reporting that even after the 25th July when facilities can open, operators are only intending to open those parts, or those facilities that are profit making. That raises the prospect of the more community based facilities such as swimming pools not opening. That will only exacerbate the impact on the harder to reach groups.

If leisure providers are not supported, they will disappear from the market, or at best will be looking to reduce their overheads by dropping loss making services. Either way, the opportunities for the harder to reach groups to engage in physical activity will be vastly reduced.

To re-iterate, it is only local authority facilities that look to target these vulnerable groups and provide sports and activities at grass roots community level.

Operational Impacts

One of the main issues around re-opening has been uncertainty over when re-opening can take place, the facilities that can re-open and the guidance to be provided.

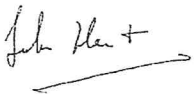
We now have a date for re-opening, but it must be realised that the guidance around social distancing will have an impact on how the facilities operate and will restrict income and/or increase costs. There have been suggestions that for some operators, swimming will become unviable and so there is a risk, highlighted by Swim England, that many pools will not re-open.

Councils will be asked to continue to support operators during this period and even with support, many will still continue to struggle.

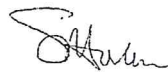
We would like to re-iterate that councils want to provide leisure facilities and see them as vital to our communities. This is an area where good work and good services can have a real impact on local people and is the one area of our work where rewards come in the form of happy smiley faces.

What councils need is certainty that the sums expended by them, and the income waived and lost, will be repaid by Government and clarity over how and when reopening will occur. This is vital to ensure that this much needed area continues to support our communities.

Yours sincerely



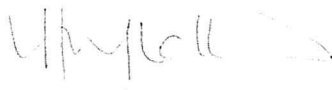
Cllr John Hart
Chairman SW Councils and
Leader Devon County Council



Cllr Stephen Jordan
Deputy Chair SW Councils and
Leader Cheltenham Borough Council



Cllr Spencer Flower
Vice Chair SW Councils
and Leader Dorset Council



Cllr Helen Holland
Vice Chair SW Councils
and Cabinet Member
Bristol City Council



Cllr Ken James
Vice Chair SW Councils
and Leader Torridge District
Council