

1 February 2023

To whom it may concern

**RE: Provisional Local Government Revenue and Capital Settlements for 2023-24**

The Welsh Sports Association (WSA) is the membership body for the sport and leisure industry in Wales, charged with the task of leading advocacy and developing resilience across the sector. We work with our members including the National Governing Bodies of Sport, Local Authorities, Leisure Trusts, education providers and private businesses as well as other key partners such as Community Leisure UK to provide a collective view of the sector in Wales.

As we have emerged from the pandemic and into the cost of living crisis, pressures on our sporting infrastructure are growing. The buildings and facilities which provide the spaces for us all to be safely active are currently under considerable strain – caused in no small part by increased energy costs.

In November 2022, Community Leisure UK<sup>1</sup> interviewed their members in Wales who provide public leisure services on behalf of Local Authorities. These interviews revealed that up to 80% of these leisure trusts are in crisis or face crisis imminently. This was largely attributed to increased energy costs.

Similarly, the Local Government Association – in a briefing for Parliament<sup>2</sup> suggest that energy costs as a percentage of turnover in leisure services have increased from 10-15% in 2019 to 25-30% in for 2023-24. It is simply impossible for these services to absorb such a significant increase in costs without significant impact on services.

The better than expected Local Government settlement may have alleviated some immediate risks, however we remain concerned that the next financial year will be extremely difficult for non-statutory services as prices continue to rise. Whilst funding has increased to Local Authorities, we anticipate this being prioritised towards statutory services, to the detriment of leisure and physical activity.

We saw examples of this in 22-23. In December 2021 the Minister for Finance and Local Government suggested in her letter<sup>3</sup> that increased funding for Local Authorities should be used to support those sectors still feeling the impact of the pandemic. As far as we are aware, very little was made available to the sport and leisure sector despite continued depressed customer numbers and a slow return to activity.

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<sup>1</sup> <https://communityleisureuk.org/news/82-of-charitable-trusts-in-wales-are-at-risk/>

<sup>2</sup> <https://www.local.gov.uk/parliament/briefings-and-responses/briefing-note-councils-and-leisure-providers-mitigating-impact>

<sup>3</sup> <https://www.gov.wales/sites/default/files/publications/2021-12/letter-to-local-authorities.pdf>

In recent weeks, the Leisure sector has also been excluded from the UK Government Energy Bill Discount Scheme, which would have eased some pressure. We are extremely grateful for the Welsh Government's indication of support for bringing leisure into the scheme.

However, without an injection of targeted and specific funding, above and beyond the Local Government settlement, it is difficult to see how Welsh public leisure services will make it through the next financial year intact. We are already hearing of plans to reduce opening hours, close leisure centres, increase fees and charges and continued challenges in recruitment due to levels of pay.

Loss of service, whether through closure, reduced opening hours or 'rationalisation' will harm the nations health and wellbeing, and flies in the face of our commitments under the Future Generations Act to work towards.

If a significant loss of public leisure facilities is experienced it will have an impact on all of our members – fewer children will learn to swim, there will be less space available for community and grassroots sport to take place, and safe affordable spaces to stay fit and active, especially in winter will be harder to access.

We already know from work undertaken by Sport Wales and ComRes that Welsh people are doing less sport and physical activity due to cost pressures. If public provision of leisure services continues to come under pressure and is reduced this will only be exacerbated – in the long run increasing costs to the NHS and other public services.

In short, the current Local Government settlement, though better than expected does not seem to tackle the problems we know are building in the sport and leisure sector.

Faithfully

*Andrew Howard*

*Chief Executive Officer, Welsh Sports Association*