

Culture, Communications, Welsh Language, Sport and International Relations: Priorities for the Sixth Senedd

Consultation Response by Community Leisure UK, 3 September 2021

1. Community Leisure UK (Wales) welcomes the consultation from the Culture, Communications, Welsh Language, Sport and International Relations Committee on the Priorities for the Sixth Senedd.
2. We represent charitable Trustsⁱ, which are registered charities, societies or community interest companies (with a public benefit asset lock) managing and providing public leisure, sport, arts and/or culture services in partnership with their Local Authority for communities across Wales.
 - a. Trusts manage 50% of all public leisure in Wales, offering an accessible pathway for all ages to be active. Amongst other activities, they manage the free-swimming programme and learn to swim classes, community sports development programmes, rehabilitation and falls prevention, and the National Exercise Referral Scheme.
 - b. In addition, trusts manage public libraries in four Welsh local authority areas and a range of locally and nationally important arts and cultural venues, including The Riverfront in Newport, the Gwyn Hall in Neath, and Cyfarthfa Castle in Merthyr Tydfil.
 - c. Leisure and culture trusts have a clearly defined charitable purpose and identity, with every penny of profit reinvested back into the organisation, cross-subsidising programmes, access, and facilities. They also offer programmes that go beyond their leisure and culture remit, including technological lifeline support for the digitally excluded and community education.

□What is the current impact of the COVID-19 pandemic on your sector, and what further support is needed from the Welsh and UK Governments both to mitigate the impact of the pandemic and enable the post-pandemic recovery?

3. One of the most significant challenges facing leisure and culture trusts now, is the recruitment and retention of their staff.
 - a. Leisure has roles that hold significant responsibility, such as duty managers ensuring swimming pools are chemically balanced and meet Health & Safety Executive (HSE) requirements on hourly cycles, lifeguards rescuing children, fitness instructors leading cardiac rehabilitation classes, creche workers delivering to Ofsted standards in children's care, and duty managers responsible for safeguarding within changing rooms.

- b. In the culture sector, many positions require specific technical expertise and training, such as librarians and technicians in theatres.
 - c. Yet the Covid-19 pandemic is causing significant challenges with retaining staff, with most staff having been furloughed and while off-work, have found other employment that come with less responsibility and higher pay, and/or their priorities have changed, leading to the decision not to return to work.
 - d. Considering the skills and training required in most public leisure and culture jobs, losing staff significantly impacts on their day-to-day operations and their ability to re-open (and recover) fully.
4. In addition, the Covid-19 pandemic has made a significant financial impact on leisure and culture trusts, as it has on so many businesses.
- a. During the first year of the pandemic (March 2020 - January 2021), Welsh leisure and culture trusts, on average, lost 42% of their unrestricted reserve levelsⁱⁱ.
 - b. However, Welsh leisure and culture trusts have received generous support from Welsh Government. Most notably through the Hardship Fund available to them through their Local Authority partners as well as the Culture Recovery Fund and the pandemic funding provided through Sport Wales and the Arts Council of Wales. They also feel supported by their Local Authority partner, having received letters of support as well as advanced payments of their management fees.
5. Their ability to recover following the removal of most Covid-19 restrictions on 7th August 2021 is further hindered by confidence levels of the public to return and the continued reasonable measures that leisure and culture trusts are keeping in place to protect their staff and customers.
- a. This is particularly noticeable in the theatre and live events sector. There is considerable confusion as to the status of mask wearing obligations, for example, and there are significant inconsistencies in approaches between events deemed to take place in hospitality venues and those in the far more sedate settings of theatres.
 - b. Different approaches not only impact the confidence levels of the public to return, but it also makes planning more difficult for businesses as they are unsure what is the “right” approach. Anecdotal evidence of packed gigs in hospitality venues over the last few weeks, for example, suggest no mask wearing, no requirements for negative LFT and remarkably no contact tracing details being collected despite Welsh Government’s request for reasonable measures to be in place by all operators.
 - c. In addition, the theatre and live events sector are different from other sectors in that events are planned months in advance and require considerable marketing efforts to ensure their viability. The re-opening in August, therefore, does not trigger a return to ‘normal’ trading for theatres and other cultural venues.

- d. Similar concerns are also in place for our public leisure centres and programmes. Substantial changes to their operating procedures during lockdowns and previous levels of restrictions, coupled with changing customer habits mean that many have seen depressed demand in recent months.
 - e. Public leisure facilities will also continue to have restricted capacities that are unavoidable due to the need to control bottleneck areas such as changing rooms, and the cash impact of additional cleaning and ventilation measures to keep people safe.
 - f. Any type of restrictions or control measures cause significant challenges to the ability to recover. To illustrate, Welsh leisure and culture trusts' anticipated loss of income over January and February 2021 on average was £642k based on 2020 figures while ongoing costs for these months were estimated at £522kⁱⁱⁱ. While restrictions are not the same now as at the start of the year, ongoing reasonable measures do still limit the number of customers that can be welcomed back, and with that the income that it generates, while costs stay the same and may even have increased due to control measures and increased cleaning regimes.
6. While the financial support has been crucial in minimising the level of deficit accrued by leisure and culture trusts, the reduction in their reserves combined with their reduced ability to recover means they have little capital to invest in their business. As a result, this will restrict the availability of affordable and inclusive leisure and culture activities for communities across Wales.
 7. These significant challenges mean that recovery will take at least another 12 to 18 months. However, quarter 3 and 4 of 2021 will be the pinch-points as leisure and culture trusts aim to rebuild the organisation and build trust with the public. Our members are concerned that if they are not on the trajectory to recovery by March 2022, this will cause significant challenges for trading moving forward.
 8. These challenges mean that leisure and culture trusts will need more (financial) support now and in the long-term from the Welsh and UK Government.
 9. Leisure and culture trusts are community anchor organisations and contribute significantly to the health and well-being of communities in Wales^{iv}. Their facilities and programming encourage life skills like swimming and offer vital social support networks and access to other community groups and clubs, above and beyond their core activities of physical activity classes, book lending, or performances. Given the significant financial challenges and pressures on recovery, more continuity grant funding will be

needed through the relevant agencies (e.g., Sport Wales, Arts Council of Wales) to sustain these programmes.

- a. As there is currently little capital to invest in the business, there is a risk of stagnation which will lead to fewer community outreach programmes (on hold during the pandemic) and less investment in future-proofing our buildings (many leisure and culture buildings are old and will need investment to make them fit for the future, in line with the Welsh Government's environmental targets).

10. For the live performance and theatres sector in particular, we urgently need more clarity on control measures, and on the newly announced Live Events Insurance Scheme by the UK Government as it will need to underwrite event losses. Without this going live or a similar scheme, theatre and event operators do not have the confidence to plan programmes or host events. If events can be run and planned for successfully, then less support will be needed in the future.

- a. While we understand that Welsh Government's desire to move away from restrictions to society and businesses, guidelines and control measures are still needed to avoid the current differences in approaches by operators. These need to be clearly communicated not only to businesses and local government for control, but also to the public to ensure there is a clarify of message, to manage expectations, and to build confidence.

11. There is also a role for Welsh Government to support with the recruitment challenge, raising awareness of career opportunities within public leisure and culture, and financially supporting training programmes.

- a. Given that they operate in 50% of Welsh Local Authorities, culture and leisure trusts are significant employers in the Culture, Heritage and Sport sector in Wales, and will therefore need to be included in any scheme/programme that Welsh Government develops to promote employment in the public sector.

12. Finally, as Welsh leisure and culture trusts work in close collaboration with their Local Authority, and considering the significant support local government gives to leisure and culture trusts, it is imperative that they are properly financed. Welsh Government will need to properly finance, resource and encourage local government so that they are able to invest in public leisure and culture to survive and thrive locally, through partnerships with their local leisure and culture trusts.

- a. The Hardship Fund for Local Authorities has been a lifeline for Welsh leisure and culture trusts, especially as Local Authorities face their own financial challenges. This Fund allowed Local Authorities to support their leisure and culture trusts partners and without it, recovery will be significantly harder. The Fund is currently due to end

in October 2021 but an extension of this Fund, given the ongoing challenges, will be crucial.

▫What issues should the committee prioritise in planning our work programme for the immediate and longer term?

13. Trusts have become more aligned with the Welsh Government and have developed good relationships with civil servants through the pandemic.
14. During the pandemic, charitable trusts significantly contributed to the local Covid-19 response. They transformed a leisure centre into a field hospital, facilitated the launch of a new service in Newport to help Covid patients recover, encouraged creative activities to support mental health and wellbeing of the elderly, transformed leisure sites into mass Covid-19 testing centres, and, later on, transformed those same facilities into mass Covid-19 vaccination centres^v.
15. It is crucial that we now build on this relationship and that the Committee as well as Welsh Government recognises the value of public leisure and culture being delivered by charitable trusts.
16. We have noticed that the public leisure and culture landscape in Wales is not well-understood by civil servants and within Government, especially the trust delivery model. We believe the Committee needs to have a good understanding of the landscape to support Welsh Government in their planning.
17. Not recognising leisure and culture trusts is a missed opportunity for Welsh Government to deliver on their key priorities as social value and community benefit are at the forefront in the delivery of public leisure and culture services by charitable trusts. There is a need to recognise the distinct delivery models of charities and social enterprises and the inherent social value that these organisations provide in delivering services, as distinct to other delivery models.
 - a. According to data from 4Global through DataHub, the entire leisure sector contributed over £181 million in social value to the Welsh economy in 2019; with members of Community Leisure UK (i.e. leisure trusts) contributing £99,854,241. This social value is measured through savings to the NHS as well as reduced crime levels and improved mental and physical health of communities. Leisure trusts also manage the National Exercise Referral Scheme on behalf of their Council partners.
 - b. Trusts are a key partner for local government and contribute significantly to Local Authorities' statutory duties under the Wellbeing of Future Generations Act. The application of the Act warrants the inclusion of charitable trusts, not least because of the recognition it gives to arts, culture, sport and leisure as the wider

determinants of health, but because the trust model is founded on cross-subsidy to ensure those communities who are in most need of inclusive activities and services, can access them. They cross-subsidise services where more profitable activities will subsidise other health and community outreach work, and they cross-subsidise access where income from those who can afford to pay is used to support reduced cost or free activities for those with less disposable income.

□How does Brexit and the new UK-EU relationship affect you or your organisation? What support have you received to respond to the changes? What further support, if any, is needed from Welsh and UK Governments?

18. Brexit has impacted on the availability of staff, dependent on the geographical location of the trust, and has particularly affected the recruitment of fitness instructors, catering and seasonal staff.
19. From a culture perspective, Brexit has made touring very difficult. Most members with theatres operate these as receiving houses. If there are no productions then this will impact their operations, ability to reopen and, ultimately, their ability to keep staff on.

ⁱ Community Leisure UK (Wales) member trusts are Aura Leisure & Libraries (Flintshire), Freedom Leisure (Powys, Wrexham, Swansea), Wales National Pool Swansea (Swansea), Celtic Leisure (Neath Port Talbot), Halo Leisure (Bridgend), Awen Cultural Trust (Bridgend), GLL (Cardiff), Wellbeing@Merthyr (Merthyr Tydfil), Newport Live (Newport), Torfaen Leisure Trust (Torfaen), Aneurin Leisure (Blaenau Gwent)

ⁱⁱ Community Leisure UK Covid-19 Impact Report - January 2021. The full report is available on our website: <https://communityleisureuk.org/news/community-leisure-uk-publishes-new-covid-19-impact-report/>

ⁱⁱⁱ Ibid

^{iv} For more information and examples of how leisure and culture trusts support the health and well-being of communities in Wales, including their support during the Covid-19 pandemic, please see our blog for the Welsh NHS Federation: <https://www.nhsconfed.org/articles/how-leisure-and-culture-trusts-support-nhs>

^v Ibid