

## Headline findings of District Council survey on the impact of the Covid 19 emergency on leisure services now and into the future

03 June 2020



### Respondents

The survey was sent to 187 District Council Chief Executives, 92 responses to the survey were received, 49% of DCN member authorities.

18 per cent of respondents have in-house leisure services. The remaining respondents had a wide range of different providers. 12 per cent of respondents shared one provider, 10 per cent shared another provider, and 8 per cent shared another provider.

### Key findings

#### **Question 1. As a result of the Covid-19 crisis, what was the income loss (£) for your leisure service/provider in April 2020, compared to your income in April 2019?**

Answer. The loss of income for 75 district councils areas that responded to this question is £18,262,000 total for April 2020 compared with April 2019. The average loss was £244,000. Modelled for all 187 district council areas, we expect the total loss to be £45,533,253 in the month of April 2020 compared with April 2019.

#### **Question 2. Looking ahead, what is the annual forecast income loss for your leisure service/provider in 2020/21?**

Answer. These are projections made during a difficult time to make projections, and so should be taken with some caution. The projected loss of income for leisure services/providers over 2020/21 for 64 district councils that responded to this question is £104,640,000. The average is £1,635,000. Modelled for all 187 district council areas, we expect the total loss to be £305,745,000 for 2020/21.

#### **Question 3. What are districts doing to support leisure services whether in house or delivered by providers?**

Answers summarised as the types of different actions different councils have reported taking:

- Councils have adapted quickly to the impact on leisure services, for instance those with in house provision redeploy staff to the response effort.
- Councils have also stepped in to provide financial support to providers. This might be a lump sum for Q1, or on a monthly basis until the end of Q1 before review. Many districts are providing advances of payments to providers to support cashflow. Some are also providing business grants where eligible, or through the discretionary scheme, or providing, or considering, loans and grants. Many providers have opted for the furlough scheme, and some councils are helping fund the remaining 20 per cent costs
- A number of authorities are working with Sport England and consultants to work through impact of closures and potential business plan for reopening over the short-medium term.

- Councils are also using this time to bring forward planned maintenance and capital expenditure to avoid closures later in the year.
- Others are making variations to existing contracts using open book accounting.
- Councils are providing other forms of help such as around communications, building maintenance, IT for online classes etc.

**Question 4. What will be the likely implications for the future of the local leisure service without additional financial support?**

- Many councils are concerned about the real possibility of providers ceasing trading, or defaulting/terminating current contracts. Often councils talk of services becoming unviable within the next couple of months.
- Some councils point to reduction in services, reduced opening hours, reduced offers.
- The corresponding impact on district councils themselves is highlighted – in terms of having to re-procure in an unfavourable market, take back in-house, and associated costs, and the risk to other services given the income lost from the leisure service.
- Some councils also highlighted the risk to pre-planned capital investment, the costs of adapting centres to reopen safely, and their future viability under a socially distanced model with reduced footfall.
- Many councils highlighted the impact of the unknown length of continued lockdown and social distancing, which will impact on ability to reopen, customer confidence and footfall.

**Question 5. Thinking about the future, how could a thriving leisure sector help achieve better health outcomes in communities?**

Answer. Respondents were very ambitious for the future role of leisure services in the promotion of physical and mental health, community and economy of their areas.

- Over 96 per cent of responding councils said that they wanted shape a sport and leisure offer to help contribute to preventative health care.
- Three quarters emphasised the future role of leisure services in providing community space and events.
- Over 70 per cent emphasised the role of leisure services in reducing health inequalities.

**For further information, please contact [dcn@local.gov.uk](mailto:dcn@local.gov.uk)**