

## Cost of living and rising energy costs

### Purpose of report

For direction.

### Summary

The cost of living and rising energy costs are dominating discussions with LGA member councils. This paper sets out some of the issues and opportunities arising.

Huw Edwards, CEX, UKactive, and Jack Shakespeare, Director of Research, Policy, and Communications, UKactive, Kevin Mills, Director of Capital Investment at Sport England, and James Gray, Marketing and Advocacy Manager, Libraries Connected, will attend the Board to outline their current activities and points of concern.

Is this report confidential? Yes ☐ No ☒

### Recommendation/s

The Board is invited to agree a joint lobbying and support approach.

### Action/s

Officers will work with partners to secure meetings with DCMS, DLUHC and HMT to discuss the issue. Media work will be undertaken alongside this.

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## Cost of living and rising energy costs

### Background

1. Culture and leisure services are adapting provision to support communities through the coming winter months, whether through acting as warm banks or advice on energy saving and benefits, or through free or subsidised access to healthy activities for carers and those on low incomes.
2. However, all services have previously been successful at earning their own income, which is now being squeezed as residents have less disposable income. Their own energy bills are also increasing significantly, although the impact is variable due to pre-existing contract tariffs and hedging.
3. Leisure centres, particularly swimming pools, are being significantly affected by rising energy costs. This has the potential to jeopardise the recovery of the leisure sector after Covid-19, and to lead to facility closures if external support is not provided.
4. UKactive's survey showed energy costs for public leisure facilities are projected to increase vs 2021 costs by 150% for 2022 and by 185% for 2023. CLUK's survey showed similar challenges for providers.
5. This particularly impacts swimming pools, which require heating. A [2019 report had already found that about 1,800 of the UK's 4,000-plus pools would have to shut by 2030](#) as they became too old and expensive to upgrade.
6. It is difficult to disaggregate the financial pressures on libraries from wider council budgets, but it is clear from work with the library spin-out mutuals, run as charities, that the situation is very pressing. The costs of heating between 30-60 libraries, coupled with wage inflation, can add as much as £800,000 - £1.25 million to the budgets. This amount of money cannot be found from small savings and will require transformational activity and service reductions.
7. More positively, a number of services are finding ways to support communities through their own challenges. Libraries Connected have identified [the range of ways that libraries are responding](#) to this, including acting as warm banks, provision of financial and energy saving advice, and hubs for the donation and distribution of essential items.
8. Examples from the sports sector are less widespread, but include [Devon County Council and Mid Devon District Council](#) provide carers with free access to three leisure centres to ensure they are able to maintain a healthy lifestyle while conserving limited funds.

### LGA response

9. There is a central emphasis in this area of work on welfare support and financial inclusion, which is being led by Rose Doran through the Resources Board, but a cross-board member advisory group is being established to bring together the work across the organisation. Cllr Vernon-Jackson has been invited to represent this portfolio as Chair of the Board.
10. A [cost of living hub](#) has been developed to provide councils with practical examples of responses across the country and against a variety of themes. It also provides a central repository for research reports and advice guides from Government, academic institutions, and civil society organisations, including a warm spaces map. A cost of living bulletin has also been developed.
11. The LGA has worked closely with Government, councils and partners throughout the implementation of crisis support, and we have welcomed the Government's commitment to preventing hardship throughout the pandemic and in the context of rising energy costs. We have highlighted that we need to continue to ensure that immediate support is adequate and effective.
12. However, it is also very clear, across a wide range of services, that we need a proactive, positive and adequately funded approach to lifting people out of poverty and preventing recurrent crises in the longer term.
13. Members, councils and partners want us to present robust, positive, longer-term proposals for the services and support that will enable households to escape poverty and prevent recurrent crises.
14. On culture, tourism and sport service, the LGA is working with partners like UKactive, Libraries Connected and Community Leisure UK (CLUK) to collect information on the impact of these rising energy costs, and to collectively engage with Government on the issue. The Chief Culture and Leisure Officers Association (CLOA) is also supporting this work.
15. The LGA and Ukactive have jointly produced a [briefing to support councils and their providers to mitigate some of the impact on leisure centres](#), but the cost pressures significantly outstrip any savings that can be made using these measures.
16. The issue has been raised with DCMS and Nigel Huddleston, former Minister for Sport, including through parliamentary questions. The Minister's response, repeated in several contexts, has been "The ongoing responsibility of providing access to public leisure facilities lies at Local Authority level, and the government continues to encourage Local Authorities to invest in leisure facilities."
17. The Department also continues to point to the £100 million National Leisure Recovery Fund and £1.75 billion Cultural Recovery Fund, aimed to support the sector through the

depths of Covid, as an example of its support for the sector. This funding was exhausted many months ago.

18. The LGA has also raised the issue with Kemi Badenoch, Minister for Local Government, as part of regular meetings with Cllr James Jamieson. However, although the issue was noted, no further discussion has been initiated by the department.
19. These issues have been outlined in a [letter to the previous Secretaries of State for DCMS and DLUHC](#), copied to their equivalents at HM Treasury and BEIS.
20. Further parliamentary work is being undertaken with MPs and highlighted in letters to the new DCMS ministers. Partners are also working towards evidence-based submissions to Government in advance of the anticipated 3-month review of the energy price cap for businesses. This will identify 'vulnerable' sectors in need of further support.
21. The evidence base for most of the cultural sector remains weak and it is unlikely that a case will successfully be made for further investment. However, the sport sector has a more developed evidence base and efforts are being focused on developing this sufficiently to make a robust case to BEIS and HMT.
22. There has been regular media coverage across all parts of the CTS portfolio over the Summer, highlighting the potential impact of facility closures or reduced opening hours. However, there is an emerging tension between the sector's call for additional support for hard-pressed residents and calling for additional funding to support services which are sometimes, wrongly, perceived as optional lifestyle choices.
23. The overall LGA messaging and positioning on this tension across all services will be discussed at the LGA Executive in December. The Board is invited to discuss this point today, and provide the CTS Chair with a position to feed into the December discussion. The CTS team will also adapt responsive media lines to reflect this position.

### **Implications for Wales**

24. Welsh authorities are equally affected by price rises. However, any mitigation measures and any additional funding would be the responsibility of the Welsh Assembly. The WLGA and CLOW are best placed to lead those conversations, but we will share findings and ideas with them.

### **Implications for equality, diversity, and inclusion**

25. Changes to service are likely to impact on the most vulnerable and least active.

26. It should also be noted that these pressures continue to drive conversations towards the provision of facilities, which provide the opportunity to engage and support the greatest number of people. However, there is clear evidence to show that some of the least active or culturally engaged communities and ethnic groups are more effectively engaged by targeted outreach activities, rather than provision of traditional culture and leisure facilities.
27. In order to deliver the greatest health and social benefits, some funding for this outreach activity needs to be provided. However, in practice, funding for this has tended to be diverted to sustain the more visible facilities, which reach more people. This is a missed opportunity to reduce cost and demand pressures on the NHS and social care services.

### **Financial Implications**

28. Current activity can be delivered within existing LGA budgets.

### **Next steps**

29. Board members are invited to:
- 29.1. Confirm that the LGA should continue to work with partners on joint submissions and media work to increase our impact
  - 29.2. Provide a steer on the Board's preferred balance between the need to target government investment at supporting communities, while successfully articulating the need to support culture, tourism and sport services
  - 29.3. Highlight any additional work or activity that would be of value to member councils.
  - 29.4. Share any local impact or actions being taken on this issue.