

Edinburgh Leisure needs more funding to keep all venues open

The council has been warned that eight Edinburgh Leisure venues could be forced to shut down without significant extra funding from the council amid a £3.6 million financial black hole.

A list of swimming pools, sports centres and pitches potentially facing closure has been drawn up by leisure bosses as they look to balance the books.

Budget pressures of £736,000 this year and a further £3.5 million in 2024/25 were set out in a stark report which went before councillors.

Rising energy costs, inflation, the introduction of non-domestic rates on pitches and a uncertainty around usage levels of facilities have all contributed to a growing deficit the organisation is grappling with.



June Peebles CEO of Edinburgh Leisure who will retire at the end of January. PHOTO © The Edinburgh Reporter

Edinburgh Leisure CEO, June Peebles, said she “feared for public leisure services” as a result of challenges faced by the council-owned company.

Ms Peebles, who will step down from her role at the end of this month, said she was committed to keeping “all our venues open” however she added there were “no easy solutions to these financial challenges”.

Speaking to the Local Democracy Reporting Service (LDRS) a council source said: “This problem has been storing up for some time. But when it came to the point that you realised you are looking at a projected deficit of £3.6 million, that is huge.”

Eight specific leisure venues across the city have been put on a closure list – which has been seen by the LDRS – as a way of

trying to bridge the gap.

The source said: "The situation is so grave that Edinburgh Leisure have even identified eight sites they would close and hand the keys back to Edinburgh Council."

They added the council would have to increase its funding settlement for Edinburgh Leisure by a "seven-figure sum" if the looming closures are to be avoided.

However the local authority will struggle to hand over significant additional sums needed to keep centres open as it looks to close its own budget gap of more than £10 million when councillors agree spending and savings proposals for the year ahead in February.

The report to the council's Policy and Sustainability Committee said that other options being considered by Edinburgh Leisure include increasing charges by up to eight per cent and reducing opening hours.

It said while the "net benefits" of venue closures were "not certain" it was estimated achieving a £1million saving "would require the closure of approximately six wet / dry sport centres".

It comes amid criticism by SNP councillors of Edinburgh Leisure withdrawing from the Real Living Wage scheme. The company, which until last year paid all staff the rate – calculated to be the hourly wage of pay people need to "get by" – said it did not have the funds available to do so in 2023/24.

Speaking at the council meeting, SNP councillor Kate Campbell called the situation "unacceptable," adding it was "actually astonishing" that administration councillors were defending paying "poverty wages for people delivering services on behalf of this council".

However Labour council leader Cammy Day said: "If we insist now that Edinburgh Leisure deliver the living wage, which of course every one of us in this room want to happen, on the same budget it will effectively mean closures of facilities across the city."

He said: "I want to pay credit to officers at Edinburgh Leisure and our own who have worked together to try and resolve this."

He said a report would be published soon with options to help the company's funding situation "in the short term" adding: "But there needs to be a different discussion about how we work together going forward".

An SNP addendum calling on the council to "demand the immediate implementation of the real living wage" for all Edinburgh Leisure staff was rejected by committee members.

Ms Peebles said: "The financial challenges facing the organisation in 2024/25 are significant. Inflation continues to affect our cost base and we have estimated a £750,000 increase in energy costs; meaning our gas and electricity costs in 2024/25 will be £2.75m higher than pre pandemic levels. We're also having to meet additional costs due to the introduction of non-domestic rates on pitches / green spaces and increases in water / drainage charges.

"I do fear for public leisure services and, more importantly, the health and well-being of our citizens.

"The contribution physical activity makes to people's physical, mental and social health and well-being is well documented, indeed it is referred to by many as a 'miracle pill'.

"Meanwhile our national health service is under considerable pressure – surely as a country we should be doing all that we can to support people of all ages to be active and keep them

out of doctor's surgeries and hospitals. Investing in physical activity is effective and far less costly than many other health interventions.

"To date, due to the support from the City of Edinburgh Council, partner organisations and our customers, Edinburgh Leisure has avoided any closures or significant reductions in service.

"We are committed to doing everything in our power to continue supporting the health and wellbeing of the city, keep all our venues open, and work towards paying the Real Living Wage.

"However, as evidenced in the report delivered to the Policy and Sustainability Committee, there are no easy solutions to these financial challenges. Meanwhile we continue to work with The City of Edinburgh Council to safeguard the health and well-being of our City."

Lib Dem group leader Kevin Lang said: "This new committee report has lifted the lid on a financial crisis at the heart of Edinburgh Leisure. Rising staff costs and higher energy prices all mean the organisation is facing a black hole of over £3 million.

"It is now clear that, without more money from the council, we are facing the serious and frightening prospect of seeing cuts to services and the closure of venues altogether. It is vital that, somehow, we find the extra money Edinburgh Leisure needs through the upcoming council budget process. We simply cannot stand by and watch swimming pools closed, leisure centres shut, and sports clubs withdrawn, not at a time when we are all working to encourage better health and well-being through sport and physical activity.

"Finding this money in the budget is now a key priority for Liberal Democrat councillors. Our approach compares starkly with that taken by the SNP and Greens.

“When Edinburgh Leisure is in dire need for more money, it is astonishing that SNP and Green councillors are still threatening to stop funding the organisation altogether. It’s a deeply reckless and irresponsible move from two political groups that seem to care little about the sports and leisure facilities our local communities rely on.”

SNP group leader Adam Nols-McVey said: “Soaring inflation and the cost of living crisis obviously affect businesses like Edinburgh Leisure, but they’re also having a real impact on staff. So it’s galling to see Labour argue against the real living wage for every employee using the exact same arguments that the Tories used against the minimum wage in the 1990s.

by Donald Turvill, Local Democracy Reporter