Wem Swimming and LifeStyle Centre

Agenda Item 6a

Wem Town Council
Wem Library
3 High Street
Wem
SY4 5AA

Dear Town Council

Wem Swimming Centre Management Fee request 2026

Executive Summary

The Swimming Centre is requesting an increase in the annual management fee from £55,000 to £80,000 for 2026, along with a three-year agreement to support long-term stability. This increase is essential to maintain operations, protect local employment, and sustain vital health and wellbeing services for the community.

Despite absorbing **£46,532 in inflationary increases, £73,379 in National Minimum Wage pressures, £4,500 in Employers' National Insurance changes, and an £18,700 annual reduction in income** from increased local competition, the Centre has continued to operate responsibly and maintain service levels. A further £38,000 of reserves has been used to fund essential maintenance. These pressures cannot be absorbed without additional support.

The Centre remains a critical community asset, employing **27 local people**, delivering **15,832 swimming lesson sessions** in 2025, and supporting thousands of swim and gym visits each year. However, membership has declined due to competition (266 in 2025 vs. 323 in 2024), and usage has fallen accordingly.

Without additional funding, the Centre will be financially unsustainable and **would be forced to close in 2026**. The requested increase ensures continuity of service, protection of employment, and the long-term sustainability of a key community facility.

Background

The Swimming Centre is operated by a not-for-profit company on behalf of the Town Council, who own the site. While the organisation is not shareholder-driven, it must generate a surplus to remain financially sustainable and to reinvest in the building, equipment, and services that benefit the community.

The management fee has remained at £55,000 since 2020.

Community Impact

The Swimming Centre continues to play an essential role in supporting the health, wellbeing, and safety of the town's residents.

Usage and Participation

Average Membership numbers:

2025 (10 months): 266

2024: 323

Total Swimming Usage:

2025 (10 months): 11,933

2024: 17,334

Total Gym Usage:

2025 (10 months): 5,513

2024: 9,182

Total Swimming Lessons:

2025 (10 months): 17,614

2024: 21,010

These figures demonstrate continued reliance on the Centre, but also the impact of competition and cost pressures on participation — pressures which investment is required to reverse.

Employment and Skills

The Centre employs 27 local people, many of whom are young adults.

Staff gain nationally-recognised qualifications, often representing their first step into the workforce.

Employment at the Centre supports the local economy and provides a pipeline of skilled lifeguards and instructors.

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Health and Wellbeing

The pool provides critical access for school swimming, families, disability users, older adults, and those referred for rehabilitation or low-impact exercise.

Swimming remains one of the most inclusive and health-promoting activities available locally.

Without investment, the Centre cannot improve the offer required to retain and grow participation, and the facility would be forced to close in 2026.

Challenges

Inflation

The existing contribution of £55,000 has been in place since 2020 with no change, despite inflation since then as follows:

Year	Annual inflation	Value of grant in line with inflation	Shortfall
2021	2.6%	£56,430	£1,430
2022	9%	£61,508	£6,508
2023	7.3%	£65,998	£10,998
2024	2.5%	£67,648	£12,648
2025	3.4%	£69,948	£14,948
2026	Estimated 2.5%	£71,696	£16,696

Total cost absorbed by WSLC over the last 5 years £46,532. Further £16,696 on top of this if the grant remains at £55,000 for 2026.

National minimum wage

Wages represent 76% of our expenditure, so any change affecting wages have a significant impact on our costs.

Year	NMW % increase	Cost
2022	6.6%	£8,770
2023	9.7%	£15,241
2024	9.7%	£21,474
2025	6.7%	£17,152
2026 estimate	4.1%	£10,742

Overall increase in the last 4 years plus an estimate for 2026 £73,379.

Employers NI changes 2025

Changes include:

- Increase in NI rate to 15%
- Significant reduction in the threshold at which NI becomes payable

Impact:

- Gross increase: £16,000
- Adjusted for staff in education and employment allowance: £4,500 net annual increase

Overall increase £4,500pa

Opening of new sites

Two new gyms and another swimming centre have opened locally.

Impact:

- Loss of £14,000 between Jan–Sept 2025
- Equivalent to £18,700 per year
- Membership decline from 323 to 266

Competition also increases the need for investment to maintain and improve our offer.

Overall decrease in income £18,700pa

Pool Liner

Essential liner replacement required closure, resulting in:

£38,000 loss of income, funded from cash reserves

Reduction in cash reserves £38,000

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Price increases

Membership and session prices have already been increased to a level we believe reflects fair value. Further increases would risk significant user loss.

A modest 5% increase to swim & gym sessions and lessons is expected to generate:

£11,000 additional income

2026 Budget

	Draft Budget £
Income	£315,650
WTC Grant	£55,000
Total Income	£370,650
Expenditure	£395,650
Shortfall	£25,000

This budget includes only the national minimum wage increases and a limited uplift for lifeguards, who would be paid only 14p above the National Minimum Wage — risking recruitment difficulties in roles with significant safety responsibilities.

Management Fee Request

Despite the financial pressures highlighted, the Board has not previously requested an increase in the management fee.

However, without additional support, the Swimming Centre will be financially unsustainable and **would be forced to close in 2026**.

The consequences extend beyond the loss of a leisure facility:

- Loss of employment for 27 local people, many young adults
- Loss of thousands of swimming lessons affecting local children's water safety
- Reduced access to essential health and wellbeing services
- Increased long-term pressure on NHS, schools, and community services

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The management team is actively developing plans to improve the centre's offering and enhance the customer experience, with the aim of increasing usage levels and rebuilding membership numbers. These improvements will only be achievable with the financial stability that an increased management fee provides

We respectfully request:

1. An increase in the management fee to £80,000 from 2026
2. A three-year agreement to support stability and long-term planning

This investment will safeguard the Centre's future, restore sustainability, and support the health and wellbeing of the community.

Yours sincerely

WSLC Board

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