
LIVE BORDERS – FINANCIAL SUPPORT AND JOINT STRATEGIC REVIEW PROPOSAL

Report by Director - Resilient Communities

SCOTTISH BORDERS COUNCIL

30 March 2023

1 PURPOSE AND SUMMARY

- 1.1 This report sets out a proposal to provide financial support of £550,000 within the current 2022/23 financial year to assist Live Borders with the significant financial pressures resulting from energy inflation, cost of living crisis and the slower return to pre-pandemic levels of visitor attendance and participation. It also proposes a joint Council/Live Borders Strategic Review to strengthen and improve partnership arrangements and ensure that, through engagement with communities and service users, services are re-established on a sustainable footing and aligned with the needs of customers and communities.**
- 1.2 The report sets out the challenging financial pressures that face Live Borders as a result of the recent extraordinary rise in energy costs, reduced footfall and associated income reductions as a result of the cost of living crisis and the protracted recovery from the pandemic.
- 1.3 The report notes that in addition to these pressures other challenges include putting measures and products in place to deal with the rapid changes to the way services are consumed and accessed by customers and the drive for Net Zero by 2045.
- 1.4 The report proposes short term-financial support of £550K within the current financial year (2022/23) to enable Live Borders to address these challenges.
- 1.5 Recognising that these pressures continue into the medium and long term, the report also proposes that the Council and Live Borders undertake a wide-reaching review of its current partnership, funding and service delivery arrangements to ensure the Trust is sustainable in the long term and meeting the needs of communities and service users.

- 1.6 Given these ongoing challenges, coupled with the significant expansion of the scope and scale of services provided by Live Borders in recent years the report recognises the need to renew and update the governance arrangements set out in the 2016 Service Provision Agreement (SPA).
- 1.7 The proposed review will build on the joint SBC/Live Borders Service Redesign proposals agreed by Council in June 2021. The aim is to complete the review by end of October this year with the outcome informing the 2024/25 service and budget planning process. To enable this, the report proposes that external consultants with suitable experience and expertise are engaged to support the delivery and timely completion of the review.
- 1.8 It is proposed that a Joint Steering Group, based on the existing SBC/Live Borders Member/Trustee Group – and with additional representatives from both organisations will oversee the delivery of the review and its outcomes. The group will be supported by a working group comprising officials from both organisations enabling the appropriate professional input as the review progresses.

2 RECOMMENDATIONS

2.1 I recommend that Council:-

- (a) Agrees to provide financial support to Live Borders within the current financial year (2022/23) of £550,000 from the Recovery Fund to assist with the significant financial pressures faced by the Trust as a result of energy inflation, the cost of living crisis and ongoing the recovery from the Pandemic.**
- (b) Agrees to a joint Council/Live Borders strategic review – as set out in Section 5 and Appendix 2 of the report – with the aim of strengthening and improving partnership and service delivery arrangements and ensuring that the services delivered by Live Borders, on behalf of SBC under the terms of the SPA, are sustainable in the long term and meet the current and future needs of Borders residents.**
- (c) Agrees to deploy funding of up to £50,000 from the Recovery Fund to enable the external facilitation of the review. This will allow appropriate additional external expertise and capacity to be sourced to assist with the completion of the review by the end of October 2023, thereby ensuring that the findings are able to inform the 2024/25 planning process.**
- (d) Notes the continuing financial pressures facing Live Borders in 2023/24 may require further financial assistance to be provided to ensure the financial stability of the Trust.**

- (e) Agrees that a Joint Steering Group based on the existing SBC/Live Borders Member/Trustees Group oversees the delivery of the Strategic Review as per paragraph 5.6 below and further agrees additional SBC representation on the Group from the Convener and a representative of the SNP Group.**

3 BACKGROUND

- 3.1 In partnership, Scottish Borders Council and Live Borders are responsible for delivering a broad range of valued Culture, Sport and Leisure and Community services in towns and communities across the Scottish Borders. (See Appendix 1)
- 3.2 The Live Borders Trust arrangements were originally established in 2003 (with the formation of Borders Sports and Leisure Trust). The services delivered have been expanded over the years, including the addition of Cultural and Community services in 2016, community sports provision at a number of high school campuses and the addition of the Great Tapestry of Scotland in 2020. Over the same period, the economic and social environment in which we operate has also changed significantly, particularly over the last few years with the pandemic, the cost of living crisis, energy crises and the drive for Net Zero by 2045.
- 3.3 These challenges come on the back of pre-existing challenges in the form of changing patterns of customer behaviour and changes to the way people consume and access services. As a result, the Partnership faces a number of challenges and opportunities with some difficult decisions that need to be made over a relatively short timescale.

4 FINANCIAL PRESSURES

- 4.1 Within the current financial year (2022/23), financial pressures have had a significant impact on the operating models of all three leisure trusts in the Borders – including Berwickshire Recreation Educational Sports Trust (BREST) and Jedburgh Leisure Facilities Trust (JLFT), which operate the single sites of Duns Swimming Pool and the Jedburgh swimming pool respectively. At the December and January Council meetings one-off financial assistance of £127,000 each for BREST and JLFT was agreed in recognition of these pressures and the need to modernise. Live Borders with 60+ facilities, including 6 swimming pools – is particularly exposed to both the steep rise in energy costs and the fall in income from reduced participation.
- 4.2 Discussions have been held with representatives from Live Borders and it is proposed that financial assistance of £550,000 for the 2022/23 financial year be made from the Recovery Fund. This figure is based on:
 - i. £330,000 to support increased and unforeseen pressures on energy costs; and
 - ii. In accordance with the existing agreement between Live Borders and SBC, £220,000 to support the Great Tapestry of Scotland’s operational deficit arising from increased energy costs and lower than targeted visitor numbers.
- 4.3 In setting its budget for 2023/24, Council has agreed to remove the £246,000 planned reduction in the management fee for the 2023/24 financial year. The Council will continue to work with Live Borders during 2023/24 to determine any further financial support requirements to enable Live Borders to operate while the joint review is undertaken and

any associated recommendations/improvement actions are implemented and efficiencies realised.

5 REVIEW OF CURRENT ARRANGEMENTS

5.1 It is recognised that the challenges outlined above will continue and that there is a need to jointly review and improve both our partnership and service delivery arrangements to ensure that they are sustainable in the long term and meet the needs of Borders service users. The proposed scope of the joint strategic review is outlined below and detailed in Appendix 2 and includes:

- i. Reviewing and developing our shared strategic vision.
- ii. Reviewing the scope and range of services provided through the partnership.
- iii. Reviewing how, and where, services are delivered by progressing work on Service Redesign as set out in a joint report to Council in June 2021.
- iv. Reviewing our joint working arrangements.
- v. Updating and agreeing our Service Provision Agreement in line with the above.
- vi. Undertaking building energy surveys of Live Borders Swimming Pools and facilities.

5.2 A key part of this review is taking forward the Service Redesign work agreed by Council in June 2021 as set out in a joint Council/Live Borders report. This work set out principles and options for engagement with communities and service users around the following areas of services:

- i. Library Services
- ii. Museums & Galleries Services
- iii. Sports facilities
- iv. Public Halls
- v. Community Centres
- vi. SBC Customer Access & Registrars (including library contact services and services co-located with those of Live Borders)

5.3 The engagement will establish how these services can be redesigned to ensure a sustainable future aligned with community and user needs.

5.4 The review needs to be largely completed by the end of October to feed into the 2024/25 financial planning process.

5.5 To enable the review to be progressed, and to provide the necessary experience, expertise, capacity and objectivity, it is proposed that external support is commissioned. To enable this, the report seeks one-off funding of up to £50,000 from the Recovery Fund to enable this.

5.6 It is proposed that a Joint Steering Group will oversee the delivery of the Strategic Review in line with the brief. The Group will comprise the existing SBC/Live Borders Member/Trustee Groupⁱ with additional of two additional Member/Trustee representatives from each org as follows:

- a) SBC – the Convener and representative from the SNP Group
- b) Live Borders – Chair of the Audit Committee and Chair of the Finance Committee.

5.7 The Steering Group will be supported by a Working Group comprising officials from both organisations bringing to bear the necessary professional input as the review progresses.

6 IMPLICATIONS

6.1 Financial

6.1.1 The report proposes:

- a) £550,000 additional funding is provided to Live Borders from the Recovery fund within the current financial year (2022/23) as detailed in paragraph 4.2 above.
- b) Funding of up to £50,000 from will be allocated from the Recovery Fund in the next financial year (2023/24) for external support to support and enable the proposed review of current arrangements as set out in 5.5 above.

6.1.2 Recognising the continuing financial pressures:

- a) Council has agreed to remove the planned reduction in management fee for 2023/24, providing further support to the trust of £246,000.
- b) The proposed review of current arrangements will include a review of the short-term funding requirements to ensure ongoing financial sustainability in the coming financial year (2023/24) while the review is progressed and recommendations are implemented.

6.2 Risk and Mitigations

- a) Without undertaking the proposed review of current arrangements, and finding new and sustainable models of service delivery, there is a risk that provision of services will need to be reduced.
- b) There is a risk that, without additional financial assistance over the next financial year – while the review is progressed – actions will need to be taken to reduce operating costs. As a consequence, the provision of services (for example, hours of opening) may need to be reduced during the course of the review.

6.3 Integrated Impact Assessment

- (a) An IIA checklist has been completed – it is not anticipated that the proposals recommended will of themselves eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between people who share a characteristic (age, disability, gender re-assignment, trans/transgender identity, marriage or civil partnership, pregnancy and maternity, race groups, religion or belief, sex-gender identity, and sexual orientation) and those who do not;

and foster good relations between people who share a characteristic and those who do not. However, support to Live Borders and the proposed review will assist local residents, both those who identify as belonging to an equality group and those who do not, to continue accessing high quality culture, leisure and recreation facilities and service across the Borders.

- (b) The proposed review of current arrangements will develop and expand upon the IIA.

6.4 **Sustainable Development Goals**

The proposed review includes measures to enable the Trust to improve its carbon footprint which ties in with UN SD Goal 7 (Ensure access to affordable, reliable, sustainable and modern energy for all). This includes work to undertake energy efficiency surveys of facilities to identify actions to reduce consumption and costs as well as opportunities to reduce the overall property foot print of the joint estate.

6.5 **Climate Change**

This proposal will help minimise energy use across the joint estate and assist the Borders to reduce its carbon footprint. Further work with the two other Leisure trusts to de-carbonise their operations through reduced energy usage will provide further benefits.

6.6 **Rural Proofing**

These proposals will have a positive effect on Borders communities and ensure high quality culture, leisure and recreation services for the future.

6.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

6.8 **Changes to Scheme of Administration or Scheme of Delegation**

No changes are required to either the Scheme of Administration or Scheme of Delegation as a result of the proposals in this report.

8 **CONSULTATION**

- 8.1 The Acting Chief Financial Officer, the Acting Chief Corporate Governance Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and any comments received have been included in the report.

Approved by

Jenni Craig

Director Resilient Communities

Author(s)

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Background Papers: Nil

Previous Minute Reference: Nil

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. James Lamb can also give information on other language translations as well as providing additional copies.

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Appendix 1

Live Borders Service areas delivered and locations

Library Services

Creative Communities

Swimming Pools

Leisure Centres

Jim Clark Museum

Active Communities

Town Halls

Heart of Hawick

Museums & Galleries

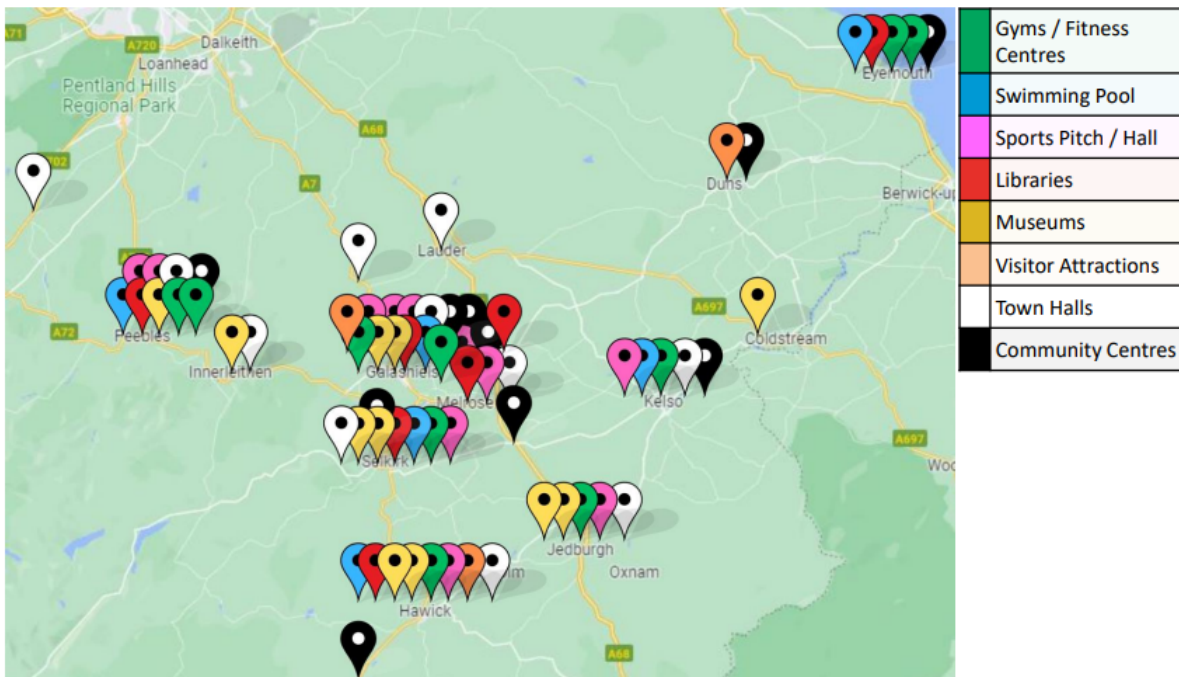
Sports Development & Events

Community Centres

Health Development / Management

Great Tapestry of Scotland

Archives



Proposed Review Brief

In partnership, Scottish Borders Council and Live Borders are responsible for delivering a broad range of valued Culture, Sport and Leisure and Community services in towns and communities across the Scottish Borders.

The Leisure Trust arrangements were established in 2003 and the services delivered have been expanded over the years, including the addition of Cultural and Community services in 2016 and the addition of the Great Tapestry of Scotland in 2020. Over the same period, the economic and social environment in which we operate has also changed significantly, particularly over the last few years with the pandemic, the cost of living, energy crises and the drive for Net Zero by 2045. As a result, the Partnership faces a number of challenges and opportunities with some difficult decisions that need to be addressed over an abrupt timescale. Work areas include:

- **Strategy** – We need to reappraise our strategic vision for the services we provide and develop a coherent, sustainable, brief and shared vision for our services covering the next 5 -10 years in terms of Culture, Libraries, Sport & Physical Activity and Communities. Implicit in this is the need to ensure that these strategies are aligned with local need, with related local, regional and national strategies and with the economic context.
- **Service Redesign** –We can no longer sustain the delivery of services as they are currently configured – particularly from an ageing estate – and we need to work collaboratively with service users, communities and other stakeholders to redesign sustainable services that align with community needs. As part of the review we need to consider whether the mix of services is appropriate, whether there is unhelpful internal competition between facilities/services or inconsistencies with how other facilities, not included in the scope of the Trust, are treated. A joint report on options for future service delivery was presented to Council in June 2021 and this now needs to be revisited, aligned with strategic vision and progressed.
- **Governance and Service Provision Agreements**– our collective governance (client and contractor) arrangements have evolved over time and need to be reviewed and revised to ensure that they are fit for purpose and meet the needs of all stakeholders. In particular, the main Service Provision Agreement was drafted in 2016 and needs to be updated and aligned to a shared vision and future service delivery arrangements.
- **Performance Information and Communication Flows** – Linked to the above there is a need to review current performance information to ensure that governance groups are able to monitor the Service Provision Agreement, follow decision making, ensure that services are aligned with community needs, fit with the council plan and administration policy which also enables the promotion of positive news and helps to address potential miss-perceptions.
- **Opportunities for achieving energy savings, maximising income and reducing cost** – related to the Service Redesign heading above, exploring opportunities to reduce energy costs and contribution to net zero targets and to improve income generation – including external funding opportunities – and reducing expenditure, including possible sharing of support services where this makes sense for both parties.
- **Opportunities to learn from best practice** – recognising that our challenges and opportunities are not unique and that there is scope to learn from experience elsewhere.

We aim to have revised Service Provision Agreement in place by October 2023 ahead of the next round of financial planning for the 24/25 budget.

ⁱ SBC/Live Borders Member/Trustee Group comprises, Cllrs Euan Jardine (Leader & Chair of the Group), Mark Rowley (Exec. Member for Service Delivery & Transformation) and Julie Pirone (Exec. Member for Communities & Culture and Emergency Planning), David Robertson (SBC CEO), Jenni Craig (Service Dir. Resilient Communities), Suzy Douglas (Acting Chief Financial Officer), Alison Moore (LB Chair), Ross Gardiner (LB Vice Chair) Ewan Jackson (LBs CEO) and Laura Steven (LB Chief Operating Officer).