

# Strategic Review of Sports, Leisure, Culture & Community



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## 2 Developing A Joint Vision

This review identifies the need to develop a focused and encompassing vision for the partnership between Live Borders and Scottish Borders Council. Distilling the findings in this report, and considering the community, staff and stakeholder views, the following Vision and Objectives for the review were agreed:

**Vision:** “To be *Healthier, Happier, Stronger*”

**Objectives:** This vision supports the development of a forward plan through consultation with communities and stakeholders throughout Scottish Borders on their needs and aspirations for sustainable leisure, sport, and cultural provision, by the following key objectives:

- Deliver Sports, Leisure, Community and Cultural services that are aligned with the needs of customers and communities throughout the Scottish Borders.
- Ensure accessibility for all to these services and facilities.
- Promote and support positive physical and mental health for Scottish Borders residents.
- Deliver a portfolio of sustainable high-quality facilities.
- Deliver a variety of high-quality programmes and activities for Sport, Leisure, Community, Arts and Creative Services.
- Empower and nurture a skilled workforce to deliver the needs of service and facility users.
- Provide services and facilities for local, national, and international visitors to the Scottish Borders.
- Minimise our environmental impact by implementing energy efficient technologies and practices in buildings.
- Recognise the changing environment in which we operate, developing new activities and services to react to changing customer needs.
- Balance our commitment to providing accessible and affordable activities and services with the need to remain financially sustainable and competitive across the sports, leisure, community, and cultural services market.
- Work effectively in partnership to meet the needs of the public, and to support, promote, and enhance the above objectives.

## 3 Executive Summary

### 3.1 Overview

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Across all Local Authorities, and their relevant Trusts, there have been significant budgetary challenges, with consequent reductions in available finances, and for many, including Scottish Borders Council, a reduction in the annual management fee paid to Live Borders. Furthermore, there are critical challenges around increasing energy costs, rising minimum wages, and the impact that the cost-of-living crisis is having on service users and customers. In addition, the participation in sports, leisure and cultural activities has changed in nature for many people following the Covid-19 pandemic, and with the changes in technology.

The cumulative result of this, is that Live Borders and Scottish Borders Council cannot continue to deliver their Culture, Sports, and Leisure provision sustainability in its current form without increasing the levels of financial investment. This further reinforces the previous work done around Service

Redesign (2021) and the Kit Campbell Associates 2010 report, both of which highlighted the burdens and significant impacts associated with managing a declining and aging property portfolio.

Scottish Borders Council and Live Borders have agreed to a partnership review into the strategic future direction of the Trust, the facilities they manage on behalf of the Council, the services they provide, and its formal working arrangements with the Council.

The review comes at a time of unprecedented financial pressures on Live Borders as well as across the entire leisure sector, due to high inflation, fast rising energy costs, a changing picture of service usage post pandemic, an ageing property portfolio and the need to work towards Net Zero targets.

The review concludes the following recommendations which, if approved, would inform a new Service Provision Agreement, clarify future roles and responsibilities of both partners, and identify options for buildings that are surplus to the requirement of providing the services managed by Live Borders. It identifies what further work is required to improve income generation and implement costs savings, whilst seeking to address governance and communication concerns, resulting in a stronger partnership approach for meeting future community needs and aspirations and service delivery.

## **3.2 Recommendations**

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### **Strategic Property Related Recommendations**

It is recommended that:

1. All repairs and maintenance responsibilities relating to council owned buildings, currently leased to Live Borders, reverts to Scottish Borders Council. This should be reflected in all future leases, and in the Service Provision Agreement.
2. Full buildings condition and structural surveys are carried out on all buildings leased to Live Borders.
3. A full energy audit is carried out on all buildings leased to Live Borders and from this, a programme for investing in more effective and efficient green energy solutions can be developed.
4. All existing leases should be reviewed in line with the recommendations above, and these should be for a period of 25 years, commencing 1<sup>st</sup> April 2024.
5. When the current energy provider contracts expire in March 2024, that the responsibility for all future utilities and energy costs transfers to the Council. It is recognised that this will result in this cost being removed from the annual management fee.
6. The future responsibility for all Community Centres reverts to the Council pending further work to support community ownership options.
7. A further detailed options appraisal and associated consultation is undertaken on the future of buildings identified as meeting the following criteria:
  - a. High repair and maintenance cost
  - b. Decreasing user numbers
  - c. Increasing running costs
  - d. Potential to relocate or co-locate services locally (e.g., school estate, consolidation etc.)
8. A strategic approach for future shared school/community use of campus-based sports and cultural activities should be continued and expanded by the Council, based on existing successful models.

## Operational Recommendations

It is recommended that:

1. Live Borders create a 10-year Business Plan and a Business Continuity Management Plan.
2. Live Borders create and implement a robust Marketing and Communications Strategy and Implementation Plan to support the Business Plan.
3. That the current booking systems are reviewed and a single booking system is created that is easy to use and links to a revised and updated website and App.
4. That the Council and Live Borders jointly consider whether Elected Members should continue to sit on the Live Borders Board.
5. That a skills audit of Live Borders trustees and Senior Managers is carried out to assess if there are any skill gaps in the Board and Management Team. Where skills gaps are identified, the appropriate recruitment and or training should be undertaken.
6. A process is set up by which staff are actively encouraged to bring forward ideas and innovations, and as a result feel an increased sense of appreciation, and value for their work. Underpinning this, a staff incentive scheme should be considered.
7. Live Borders continue to develop and implement a robust staff performance appraisal system in order support staff training opportunities, and effective succession planning.
8. That an independent review of support service operations (payroll, IT, Human Resources etc) be carried out to assess if there are economies of scale for the Council and Live Borders.
9. A new post of Business Development Director is created for Live Borders to focus on commercial revenue growth opportunities and future income generation.

## Income Generating Recommendations

It is recommended that:

- (1) The Council transfers to Live Borders the full management fee at the start of each financial year.
- (2) The price for sports and leisure activities is reviewed, with a view to increasing income by 10%.
- (3) The café facilities currently operated in-house at Teviotdale Leisure Centre are considered for a lease arrangement with a third party in return for an annual rental fee.
- (4) Where space allows, third party services such as sports clinics, physiotherapy and other treatment providers are offered rental agreements to provide income and enhance the breadth of services offered within Live Borders sports, leisure, and community facilities.
- (5) That Live Borders and the Council consider the introduction of an admission charge for all museums for visitors who do not live in the Scottish Borders Council catchment area.
- (6) Live Borders set a target figure for bringing in external grant aid and consider appointing a fund raiser on a commission only basis as part of an overall strategy for accessing grant aid funding.
- (7) Scottish Borders Council works with Live Borders to deliver a proactive programme of social prescribing activities in their facilities. This could be funded through the Scottish Government's Healthier, Happier, Stronger Fund.
- (8) A full review of the One Club scheme is undertaken including a review of the quality of facilities, with a view to develop a more appropriate and attractive sports, leisure, and culture package.

- (9) A Salary Sacrifice Scheme is considered providing employees of key businesses low cost or subsidised access to sports, leisure and cultural services and membership schemes.

## 4 Introduction & Background

### 4.1 Live Borders

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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 several high school campuses and the addition of the Great Tapestry of Scotland in 2020. They are the culture, sport, and leisure charity trust for the Scottish Borders, with a commitment to make communities healthier, happier, and stronger.

Currently, Live Borders delivers a wide range of services and facilities across the region, including:

- Active Schools
- Archives
- Arts & Creativity
- Community Access to School Facilities
- Concerts & Live Events
- Community Centres
- Leisure Centres & Gyms
- Museums & Galleries
- School Holiday Programmes
- Sports Development
- Swimming Pools
- Synthetic Pitches
- Town Halls
- Visitor Attractions (including the Great Tapestry of Scotland)

The Trust currently receives an annual management fee from Scottish Borders Council to deliver this range of services in line with the 2016 Service Provision Agreement. In addition, a further payment is agreed with the Scottish Borders Council to meet the operating deficit of the Great Tapestry of Scotland.

Through bookings, memberships and other commercial activity, the Trust currently has a turnover of £10,775,000 (FY2022/23). As a result of unprecedented financial challenges, further financial support has been provided by the Council, and the proposed reduction in management fee has been reversed for 2023/24 pending this review.

### 4.2 The Rationale For The Review

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To effectively deliver a range of Sports, Cultural and Leisure Services, Scottish Borders Council created Live Borders as an Arm's Length External Organisation (ALEO), operating to deliver the relevant facilities and services in line with a Service Provision Agreement. Notwithstanding the findings of the 2017 Barclay report, this governance model, common throughout Scotland, allows savings and efficiencies around removal of the Non- Domestic rates on leisure buildings resulting in a year-on-year saving to the Council of £1,373,668.



Scottish Borders Council and Live Borders, in partnership, are responsible for delivering a broad range of valued culture, sport and leisure and community services throughout the Scottish Borders. Recognising the challenges facing the Council and the Trust, it was agreed that a joint review would be undertaken in relation to the funding and strategic direction of activities and services.

This Strategic Review of Culture, Leisure and Sport will provide a route map to shape future of leisure provision based on evidence derived from community feedback drawn from proactive community consultation work undertaken throughout the summer of 2023.

The review acknowledges the concerns of providing quality leisure services and facilities in a challenging and changing financial climate. The sharp rises in energy bills coupled with an aging property portfolio, the general cost of living increases and pressures on the Council's budgets, means the facility operator (Live Borders) is facing the twin challenges of significantly increased costs and reducing customer income.

The purpose of the review is to set a framework to guide the Council's investment in, and provision of, culture, leisure, and sport throughout the Scottish Borders for the next ten years.

'Culture, leisure and sport' is defined as encompassing a vast range of services that includes Sports facilities, Leisure Centers and Swimming Pools, Libraries, Museums and Visitor Attractions, Community Centers and Public Halls, Creative Services and Events and our communities' expressed needs and aspirations. The positive impact of the strategy is intended for everyone who lives, works, visits or volunteers in the Borders, and is as much for those who do not yet participate in culture, leisure, and sport, as those that do.

### 4.3 Relevant Previous Work

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In undertaking this review, acknowledgement was given to previous work undertaken in relation to Live Borders, and their services and facilities. These reports were considered as part of this work, to provide the retrospective context.

#### **Kit Campbell Report**

In 2010 Kit Campbell Associates completed a Sports Facilities Strategy for the Council. This was a significant report, however a key message within it needs to be reiterated as the Council and Live Borders move towards the future service delivery plan. The Report states:

*"We therefore conclude that the Borders needs substantially to re-invent its pattern of provision. It can adopt one of two mutually exclusive strategic directions:*

- (1) Continue with the Status Quo:** *two key factors have driven the planning of sports provision in the Borders. The first is the determination of local communities to stand up for their own interests, sometimes while taking little or no notice of wider considerations.*

*Given the state of sports provision in the Borders, and the looming severe constraints on public expenditure, the approach currently undertaken is no longer tenable and will simply impoverish everyone as the Council is forced to manage decline in its major built sports provision.*

**(2) Think strategically:** *this means concentrating on getting the big decisions right and adopting a set of policies that will guide all subsequent decisions. The Council is already committed to this approach and should make a conscious decision to move away from “It’s ay been.”*

*Within its theme of developing facility provision and community access, the Strategy for Sport, Health, and Physical Education (SHAPE) strategy states that the Council should abandon its implicit policy of ensuring that each of the main settlements has its own indoor sports provision and aim to deliver a network of strategically sited facilities over the next decade.”*

We endorse the findings of the Kit Campbell Report and given that a decade has passed with little or no implementation of the recommendations we are of the opinion that maintaining the status quo is no longer an option, and that the rationalisation of facilities needs to be considered and implemented as part of future service delivery.

### **Service Redesign Work**

The Service Redesign work is rooted in the Fit for 2024 Programme as agreed by the Council in February 2019, and the Live Borders Strategy (2018-2023). The Service Redesign report set out the challenges and opportunities facing both SBC’s Customer Advice and Support Service (CASS) and Live Borders in aligning services with rapidly changing customer needs and expectations.

This report was drafted jointly with Live Borders as the Council’s Strategic Partner in the delivery of Culture and Sport services. The report recognised that both organisations face many of the same challenges in terms of how services are developed and sustained at a time of unprecedented change and recognises the interconnectedness of both current service delivery arrangements and future redesign opportunities.

The case for service redesign is built around 8 shared redesign principles:

- Community Engagement and Participation
- Meeting customer needs and expectations
- Improving and simplifying services and service access
- Sustainability
- Equality of access
- Alignment with local and national strategy
- Making the most of investment – including external Place-Based funding opportunities
- Sustainable recovery following the Covid-19 pandemic

This report concluded several recommendations around Service Redesign across the various services offered by Live Borders, including the idea of concentrating activity, investment, and footfall in community hubs where possible.

### **Live Borders Strategic Plan 2018-2023**

The 2018-2023 Strategic Plan sought to map the direction of travel for Live Borders following its early years of operation. The plan highlighted the organisation’s strengths (their people, the spread of services and locations, and the breadth of culture assets) and noted challenges (the ageing estate, the wide portfolio of activities, service delivery obligations, and their promotion of their charitable aims). At a strategic level, this plan identified the key context within which the organisation was working, recognising the importance of health, wellbeing, community safety, neighbourhood, and community.

This strategy highlighted the alignment with key policies and organisations such as Active Scotland, Creative Scotland, and the Community Planning Partnerships.

#### 4.4 The Benefits of a Trust

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The creation of Arm's Length External Organisations (ALEO's) such as leisure trusts is widespread within Scotland and throughout the UK resulting in significant benefits and savings for local authorities.

- **Rates Relief** – Where a local authority pre-Barclay review (2017) created an arm's length organisation with charitable status (Trust) to manage and operate the council's leisure facilities and services, the Trust will receive exemption from paying the Non-Domestic rates on the buildings it manages. For Scottish Borders this results in **an annual year-on-year saving of £1,373,368 (£114,447/month)**
- **Access to Funding and Investment** - An arms-length organisation with charitable status may have greater flexibility in accessing external funding and investment opportunities compared to a local authority. This can include securing grants, sponsorship, and partnerships, which can contribute to financial savings by reducing reliance on public funds. The Trust can explore revenue-generating opportunities through commercial ventures, such as facility rentals, partnerships with private operators, or sponsorship arrangements, generating additional income for the Trust and reducing the burden on the local authority's budget.
- **Increased Operational Flexibility** - An arms-length organisation can operate with greater flexibility and agility compared to a local authority, allowing for more efficient decision-making processes and adaptability to changing circumstances. This flexibility can lead to operational improvements, cost savings through innovative service delivery models, and the ability to respond to community needs more effectively.

Whilst the Barclay Review (2017) suggested that ALEOs should be subject to non-domestic rates, as they were seen as providing unfair competition to private sector businesses, the Scottish Government expressed caution about imposing rates on ALEOs, as it could impact the delivery of essential services and hinder community participation in sport and leisure activities. As a result, the Scottish Government has retained the rates relief for existing Trusts, however notes that new ALEO's will not be provided with the same financial benefit, and as such Scottish Borders Council will not have a further opportunity to benefit from the creation of a new Trust.

#### 4.5 The Benefits of Sport, Leisure, and Culture

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Leisure activities offer many significant non-financial benefits that contribute to overall wellbeing and personal development. The provision of leisure services play a key role in enabling equality of access to activities which promote population health and acts as a catalyst for engaging communities at a local level.

Leisure Services are aimed at increasing participation in physical and social activities for individuals, families and communities who would otherwise find it hard to access services for cultural, geographical, or financial reasons.

Scottish Borders Council and Live Borders are uniquely positioned to increase general and targeted participation levels, co-ordinate, and leverage community assets, and participate in specific health initiatives such as social prescribing and (p)rehabilitation exercise referral schemes.

Public sport and leisure services are a part of the social infrastructure of the nation. They support work to tackle loneliness and health inequalities that have been exacerbated by the pandemic. They bring communities together, promote healthier lifestyles and contribute a wealth of social value such as reducing crime and improving educational attainment.

The provision of affordable public leisure facilities is essential for reducing growing health and social inequalities.

Public sport and leisure services do not target people simply for membership for a commercial purpose, but rather have a unique role in engaging communities to be active, healthy and to connect communities and improve wellbeing. This enables them to offer discounted or free access to those members of the community who may not otherwise be able to afford access to activities, whether the unemployed, families on low incomes, veterans, or disabled residents.

They also offer outreach and wrap-around services, reaching out to engage communities in the places that feel comfortable for them to be active in. Leisure Services correlate highly with Place Making initiatives.

**Put simply, public sport and leisure services and activities are those which may not otherwise be commercially viable for other providers, who, by necessity, operate on market-based demand models for profit.**

Public sport and leisure services provide the facilities, pitches and services that support and are relied upon by grassroots clubs, elite athletes, schools, the NHS, and performance sports such as swimming, athletics, tennis, and rugby. Alongside this they also provide community sports and physical activity development, which are not simply offered through facility-based services, but through outreach development activities that are delivered within and throughout communities.

***“Without the support of councils these sports and wider activities could not survive in a purely commercial sport and leisure marketplace”*** (Association for Public Service Excellence, Local Government Association and Chief Cultural and Leisure Officers Association September 2021)

Independent research on the social and economic value of sport undertaken by Sheffield Hallam University estimates that community sport and activity generate a return on investment of £3.91 for every £1 spent.<sup>1</sup>

#### **4.6 Challenges Facing The Trust**

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Discussions with the senior management and Board trustees at Live Borders have highlighted the serious financial position that the Trust faces, with the current operational set up being unsustainable. Without substantial changes to the income and/or the costs facing the organisation, **it is predicted that available funds and existing reserves will run out within the next financial year.**

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<sup>1</sup> [Sport Industry Research Centre at Sheffield Hallam University](#)

The following summary of challenges (both internal and external) provide an understanding of the Trust's position.

## External Challenges

Like many private and public sector organisations, Live Borders is facing a number of external challenges over which they have no control. Each of these challenges has impacted on their customer base, and the organisation, affecting both the income and expenditure of the operation of the business.

**Energy Costs** – Just as households are facing rapidly increasing energy costs, leisure trusts face the same volatile pricing market, without the security of price caps. Facilities that have high energy use have more than doubled and the impact on having and managing Six swimming pools, is significant.

**Cost of Living** – Nationally, the public are facing an increase in cost of living, with increases in food, energy bills, mortgages costs and fuel. As a result, many individuals and households are forced to make decisions on spending, acknowledging a significant reduction on disposable income, and the ability to spend on leisure. Where savings need to be made, many people are cancelling memberships and subscriptions, and looking for lower cost or free activities in relation to their leisure needs. In addition, the capacity for customers to spend more in leisure centre and museum cafes, retail and add on sales has reduced.

**Interest Rates** – Over the past year there has been a significant rise in interest rates, and whilst these have slowed down, they are forecasted to remain higher than previous years for some time. The result of this is twofold. Firstly, customers are faced with increases in their mortgage costs, and tighter household budgets, and second, local authorities, trusts and organisations are faced with reducing budgets, and therefore lower capital for investing in repairing and maintaining facilities.

**Minimum & National Living Wage** – Increases in the minimum and national living wage have negatively impacted on the cost of front-line staffing across all sectors.. Further to the increase in costs, these increases have resulted in lower differentials between the lower and higher bands of wages across industries, reducing career ambitions to move towards middle management and skilled roles. In addition, the reduction in differentials increases competition in the employment sector with similar rates of pay available in retail and other sectors.

**Trending Towards Net Zero** – All organisations have a duty to target carbon net zero across their operations. This has become an increasing priority, and with the Scottish Government leading on progress, there will be greater legislative requirements in the coming years. As such, any development, improvement, and investment in facilities will require to focus on improved energy efficiency, reducing emissions, and limiting the environmental impact of the facilities they operate. Whilst investing in greener energy may in time reduce revenue costs, the capital cost associated with installing new more energy efficient solutions will also be a significant challenge.

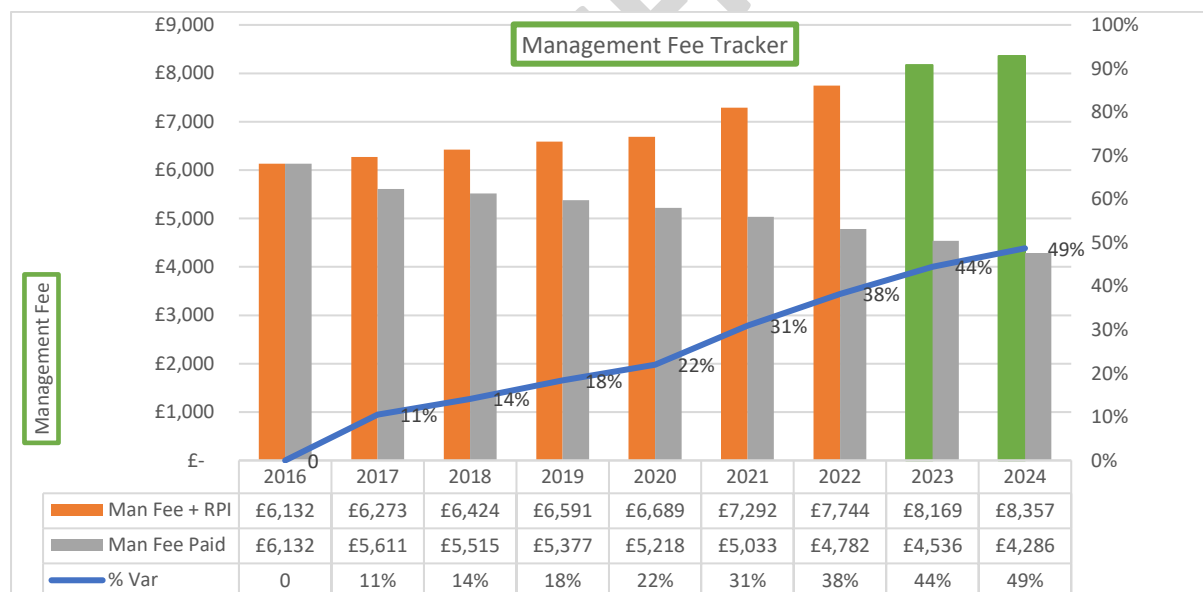
**Commercial Competition** – With a particular focus on the sports, leisure and fitness, the community engagement and discussions with the Trust has identified an increase in commercial competition with larger branded gym operators, and smaller local organisations increasing their offerings available to customers. With limited resources to invest and improve some of the fitness suites and gym spaces in the current buildings, there is a risk of losing customers to newer and more state of the art facilities in Borders communities and in particular where there are pay-as-you-go and 24hour accessible facilities available.

**Internet Use & Technology** – Internet access and the availability of information, including tablet, phone and streaming services continues to impact on the popularity of traditional information services including libraries. Figures for the years leading up to the pandemic demonstrate a decline in library attendances, offset with an increase in the electronic library services. Furthermore, community feedback demonstrates a desire towards effective online booking systems and customer service channels. This trend creates a need to undertake further consideration of the functions of the more traditional services such as those provided by libraries, service points.

### Budgetary Challenges Revenue and Capital

The above challenges have significant impacts on both the income and expenditure streams for Live Borders, ultimately eroding the financial sustainability of the organisation. The acceleration of many of these challenges in recent months has now put the Trust on an unsustainable footing. This is particularly the case for the cost of energy, and while additional funds have been provided by Scottish Borders Council during 2022-23 to alleviate this, the challenge is ongoing. A review of the existing relationship and funding should be considered to ensure the required services can continue to be provided.

Live Borders are conscious of the Council’s continuing a financial management fee commitment, but it is worth noting this has been eroded over recent years when plotted against the Retail Price Index figures. The graph below highlights the year-on-year impact of the reduction in Council’s annual management fee.



In terms of capital commitment, recent breakdowns in plant and machinery has resulted in the Council having to find significant sums for emergency repairs at the Gytes Leisure Centre, Eyemouth Leisure Centre, and Teviotdale Leisure Centre.

The new Service Provision Agreement should be clear on where the landlord (Council) and tenant (Live Borders) roles and responsibilities lie in relation to all repairs and maintenance of facilities.

## Immediate Property/Plant Challenges

As reported to the Joint Officers Group on the 11<sup>th</sup> September 2023, there are imminent challenges identified within several properties operated by Live Borders.

Across the Sports and Leisure Centres, there is a current repairs and maintenance estimate of around £2m. However, recently, Eyemouth Leisure Centre, Gytes Leisure Centre and Teviotdale Leisure Centres have experienced significant plant and machinery failure, resulting in an unplanned expenditure of approximately £1m. There is concern that further unplanned expenditure will be required unless a comprehensive survey of plant and buildings is undertaken without delay, and the relevant investment identified and scheduled into future capital plans.

## 5 Revised Performance Outcomes

The undernoted Performance Outcomes are recommended and if agreed will form the basis of the Service Provision Agreement between the Council and Live Borders.

<b>Sport &amp; Leisure</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Increased Participation</b>	The number of people accessing and using sports and leisure facilities and programmes (footfall)
<b>Reducing Inequality</b>	Participation numbers from lowest (10%) SIMD areas. (surveyed)
<b>Increased financial sustainability</b>	Improvement around subsidy cost per visit
<b>Improved customer experience</b>	Visitor satisfaction % (surveyed)
<b>Increased school-aged participation</b>	The number of pupils taking part in active school delivered activities.
<b>Libraries</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Increased Participation</b>	The number of people accessing and using libraries and digital library services (footfall / numbers)
<b>Reducing Inequality</b>	Attendance numbers from lowest (10%) SIMD areas. (surveyed)
<b>Increased financial sustainability</b>	Improvement around subsidy cost per visit
<b>Improved customer experience</b>	Visitor satisfaction % (surveyed)
<b>Museums, Galleries &amp; Visitor Attraction</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Increased Participation</b>	Tracking the number of people accessing museums, galleries, and visitor attractions
<b>Reducing Inequality</b>	Attendance numbers from lowest (10%) SIMD areas. (surveyed)
<b>Increased financial sustainability</b>	Improvement around subsidy cost per visit
<b>Improved customer experience</b>	Visitor satisfaction % (surveyed)

<b>Retention and Improvement of visitor ratings</b>	Number of facilities with a 4- or 5-star VisitScotland rating.
<b>Creative Arts</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Increased Participation</b>	Tracking the number of people taking part in creative arts activities.
<b>Reducing Inequality</b>	Attendance numbers from lowest (10%) SIMD areas. (surveyed)
<b>Increased financial sustainability</b>	Improvement around subsidy cost per visit
<b>Improved customer experience</b>	Visitor satisfaction % (surveyed)
<b>Community Centres &amp; Town Halls</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Increased Participation</b>	Tracking the number of people accessing community centres and town halls.
<b>Reducing Inequality</b>	Attendance numbers from lowest (10%) SIMD areas. (surveyed)
<b>Increased financial sustainability</b>	Improvement around subsidy cost per visit
<b>Improved customer experience</b>	Visitor satisfaction % (surveyed)
<b>Events</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Increased Participation</b>	Tracking the number of people attending LB organised events.
<b>Reducing Inequality</b>	Attendance numbers from lowest (10%) SIMD areas. (surveyed)
<b>Increased financial sustainability</b>	Subsidy cost per visit compared to national average / target
<b>Improved customer experience</b>	Visitor satisfaction % (surveyed)
<b>Membership Scheme</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Increased Membership Numbers</b>	Growth in membership numbers – One Card or new membership programme.
<b>Improved Membership Retention</b>	Retention of members – measured by % retained (quarterly)
<b>Social Health &amp; Wellbeing</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Increased number of GP referrals</b>	Tracking the number of GP & NHS referrals managed
<b>Increased activity delivered for Social Health &amp; Wellbeing</b>	Tracking the number of hours delivered specifically with a focus on social prescribing, and social health and wellbeing improvement
<b>Participant Perception of Improved Health</b>	Survey of participants before and after.
<b>Finance</b>	
<b>Outcome</b>	<b>Indicator</b>



<b>Increased Earned Income</b>	% Growth in earned income measured against set target
<b>Increased External Funding</b>	% Growth in externally sourced grant aid funding
<b>Staff</b>	
<b>Outcome</b>	<b>Indicator</b>
<b>Retention</b>	% retention measured
<b>Staff Satisfaction</b>	Surveyed
<b>Staff Development</b>	% Staff reviewed conducted (target 100%)

## 6 Strategic Context

In writing the Strategic Review, it is necessary to understand the strategic context within which Borders Council and Live Borders operates. The context serves as the backdrop against which strategic decisions need to be made and executed, providing a crucial framework for success. An examination of the strategic context sets the stage for effective strategy development. It should equip both organisations with the contextual knowledge required to make the necessary informed decisions, align resources with objectives, and adapt to a dynamic political and business landscape. Without a clear understanding of this context, this Strategic Review and the implementation of the recommendations may lack direction and fail to achieve their intended outcomes.

### 6.1 The Legislative Context

The Local Government and Planning (Scotland) Act 1982 states that: *“a local authority shall ensure that there is adequate provision of facilities for the inhabitants of their area for recreational, sporting, cultural and social activities”*.

The issue with this legislative statement is there is no definition of what is “adequate” is, so local authorities need to make a value judgement on what they feel is adequate provision for their residents.

The Community Empowerment (Scotland) Act 2015 places a duty on local authorities to promote the well-being of their communities, including facilitating access to and participation in sport and physical activity. It encourages local authorities to work collaboratively with community bodies and stakeholders to enhance the provision of leisure facilities and services.

The purpose of The Public Health etc. (Scotland) Act 2008 was to facilitate improvement in public health and well-being, including promoting physical activity and healthy lifestyles. It empowers local authorities to develop and implement strategies to promote physical activity and reduce health inequalities.

### 6.2 Fit For The Future: The Health Value of Wellbeing & Leisure Services (2022)

Commissioned by the District Councils Network and produced with Health Economics Consulting at University of East Anglia, Economics By Design published a report with the aim of evidencing the health economic value of their members’ leisure and wellbeing services, and the further impact they could

potentially have on reducing health inequalities. The report includes estimates of the potential impact of increasing physical activity on health, the healthcare sector, and the wider economy. It demonstrates the potential benefits that accrue from introducing a sustainable programme of physical activity for a cohort of otherwise inactive adults.

The results show that improving physical activity especially among the most deprived, should lead to a reduction in diseases (thereby saving the healthcare system the cost that would have been incurred in treating the diseases) and improved quality of life and the associated economic returns (improved health means people can be more productive for longer). In addition, it would lead to a reduction in health inequalities.(by reducing the gap in healthy life expectancy between the lower and higher social economic group). It also estimates the potential reduction in NHS expenditure as a result.

#### Impact on Diseases & The Health Sector (NHS)

For a sample population of one million, the following table outlines the cost reduction to the NHS, and the health improvements specific to 8 key illnesses and injuries (Type 2 Diabetes, Coronary Heart Disease, Stroke, Breast Cancer, Colorectal Cancer, Dementia, Depression, and Hip fracture):

Duration (years)	Cumulative diseases avoided	Reduction in NHS health expenditure	
		Discounted prices*	Undiscounted current prices
1	6,882	£21,285,458	£22,030,450
5	28,572	£133,117,713	£158,102,085
10	44,885	£222,324,514	£313,610,684
15	54,157	£242,862,691	£406,879,725
20	59,820	£232,559,159	£462,743,625

*\*These discounted costs have been calculated from the output (actual values) of the model and presented separately as the model recognises these costs as freed up resources that will be diverted to other needs and used up within the year in which they are saved. They are however presented here to provide clearer perspective for planning purposes.*

	Cumulative QALY's Gained	Health Value
1 Year	1,721	£33.3m
5 Years	23,383	£393.8m
10 Years	70,239	£995.9m
15 Years	121,056	£1.5b
20 Years	193,850	£1.7b

### 6.3 Association for Public Service Excellence (APSE) State of The Market Survey 2021

APSE conducted an online survey between August and September 2021 in which a series of questions were asked covering a range of issues of interest to those officers, managers, and councillors responsible for Sports and Leisure services. Some of the key findings of this report are listed below:

- 83% expect the workload of the leisure section to increase over the next 12 months.
- 38% of note that staff absence levels are 'slightly above average' or 'too high'.
- 74% have difficulty recruiting lifeguards.
- 73% of respondents with difficulty recruiting instructors
- 31% of respondents with difficulty recruiting technical / managerial staff

- 55% expecting the leisure budget to either decrease or decrease substantially.
- 50% of respondents expecting reductions in Council subsidy
- 38% of respondents expecting reductions in management
- 33% of respondents expecting reduced opening hours
- 44% of respondents expect that income from charges will increase, with 30% thinking it will stay the same and 26% expecting it to decrease.
- 43% of respondents expect that funding from Health & Wellbeing boards will increase, 52% think it will stay the same, and 5% think it will decrease.
- 39% expect that funding from GP Commissioning will increase, with 50% thinking it will stay the same, and 11% expecting this to decrease.
- 15% expect their funding from direct council budget to increase, 28% expect this to stay the same and 57% expect their direct council budget to decrease.
- 62% of respondents have been commissioned by their local Health Board to provide GP referral services, 44% to provide exercise programmes, 34% to provide weight loss programmes, 8% to provide pupil weight and measurement services and 2% to provide day care services.

#### **6.4 Community Leisure UK – Scotland**

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Based on feedback from members in March 2023, Community Leisure UK recognised that the landscape in Scotland is increasingly challenging, with many of the risks previously highlighted now credible and impacting on Trusts and services.

In particular, the report notes the following key statistics and findings:

- For 2023-24, 50% of members who receive a management fee from their Authority have received a flat fee, which represents a real terms reduction. The remaining 50% have received a reduction in their management fee ranging from 5% to 33%.
- The majority of Covid and cost of living additional support for trusts has stopped, making the reduction in local authority funding more acute than reductions in management fees alone.
- The impact of the increase (9.7%) in the National Living Wage is challenging for Trusts as for many this will apply to a large proportion of frontline staff - approximately 60-70% of the workforce.
- The living wage increase will, in turn, impact pay awards for other salary bands, reducing the differentials and increasing challenges around staff recruitment, retention and satisfaction.
- Many Trusts are implementing reductions in opening hours across libraries, museums, and swimming pools.
- There have also been some facility closures across the country, including community halls, school libraries, a small museum over winter months, a leisure centre and community pool.
- Most Trusts indicated that there are other facilities and services that are subject to review and dependent on financial pressures and discussions with local authorities, there will likely be further closures this financial year.

#### **6.5 Scottish Borders Council Plan 2023 Onwards**

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The Council Plan 2023 Onwards and the Administration Policy Plan 2022-2027 identifies the long-term challenges and opportunities they face as a region and as a Council.

The Council's Strategic Context and Values are;

- **People Focused** -working collaboratively with colleagues and partners, everything they do is for the benefit of their communities.
- **Inclusive & Fair** -they ensure everyone has the best opportunities and always seek to act fairly.
- **Agile** -they take advantage of new opportunities to deliver good value for money and maximise the use of all digital opportunities.
- **Sustainable** - they are passionate about the prospects for future generations and demonstrate this in their decisions and delivery and ensure they live within their means.

The Council Plan is based on 6 outcomes that they aim to deliver for the Scottish Borders. Five of the outcomes focus on improving the wellbeing of citizens within the Scottish Borders and making our region a more sustainable and better place to live, work in and to visit. The sixth outcome is about developing a Council that is as effective and efficient as it can be. They need to do this in order to deliver on the other five outcomes. As their aim is to ensure consistently high quality across all they do as a Council, the 'Working Together Improving Lives' theme is reflected in the area-wide outcomes and actions and not within the outcomes and actions set out in 'Locality Outcomes and Priorities'



## 6.6 Creative Scotland Strategic Plan

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<https://www.creativescotland.com/resources-publications/publications/plans-and-strategy-documents/strategic-plans>

Creative Scotland have established a refreshed Strategic Framework to guide their work. This Framework is aligned to their formal remit and legislative duties, setting out their broader aims as well as their priorities for supporting future recovery and renewal of the arts, screen, and creative industries across Scotland.

Creative Scotland, incorporating Screen Scotland, is the national body which supports the arts, screen, and creative industries across all parts of Scotland. They are a Non-Departmental Public Body, sponsored by Scottish Government and Scottish Ministers and receive their funding from both the Scottish Government and the National Lottery. Their remit is set out in Part 4 of the Public Services Reform (Scotland) Act 2010 which describes the general functions of Creative Scotland as:

1. Identifying, supporting, and developing quality and excellence in the arts and culture from those engaged in artistic and other creative endeavours.
2. Promoting understanding, appreciation and enjoyment of the arts and culture.
3. Encouraging as many people as possible to access and participate in the arts and culture.
4. Realising, as far as reasonably practicable to do so, the value and benefits (in particular, the national and international value and benefits) of the arts and culture.
5. Encouraging and supporting artistic and other creative endeavours which contribute to an understanding of Scotland's national culture in its broad sense as a way of life.
6. Promoting and supporting industries and other commercial activity, the primary focus of which is the application of creative skills. We support the arts, screen and creative industries as a development organisation, a funder, an advocate, and as a public body that seeks to influence others to increase opportunity and maximise the impact our resources can offer.

Creative Scotland work in partnership with Government, Local Authorities, and the wider public, private, and voluntary sectors to deliver this support.

## 6.7 Scotland's Museums and Galleries Strategy 2023-2030

<https://www.museumsgalleriesscotland.org.uk/news/launch-of-scotlands-museums-and-galleries-strategy-2023>

The new strategy builds on the achievements of the first strategy, which guided the collective work of the sector and Museums Galleries Scotland (MGS) from 2012 to 2022. Following extensive consultation, the 2023- 2030 strategy outlines a shared vision that:

***" Scotland's museums and galleries are thriving, connected, and resilient organisations which are agile in embracing change. Trusted and valued by the widest diversity of Scotland's people, our collections, and the shared stories we tell, are accessible and inclusive to all."***

The strategy supports museums and galleries to meet changing environmental, economic, and social contexts and to strengthen their invaluable role at the heart of Scotland's communities. Consultations with museums, galleries, and a wide range of stakeholders started in December 2021 to understand how to ensure the future success and relevance of the sector. Ten priority areas were identified and the strategy groups these priorities into three interlinking strands of Connection, Workforce, and Resilience.

At the strategy's core is the need to ensure that Scotland's museum and gallery collections are cared for, accessible, and shared through strong partnership working, both within and outside the sector, collaborating on vital and relevant work across the culture, arts, and heritage sector as well as Scotland's wider social and economic economy.



The three strategy strands interlink as do the ten priority areas as development across all these areas will help achieve the strategy vision.

## 6.8 Scotland's Public Library Strategy 2021-2025

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<https://scottishlibraries.org/media/3344/foward-scotlands-public-library-strategy-digital.pdf>

The Scottish Government's 17 Sustainable Development Goals are a global call to action to achieve a better and more sustainable future for all by 2030. Forward: Scotland's Public Library Strategy 2021-2025 will contribute towards the following goals:

- No Poverty
- Good Health and Wellbeing
- Quality Education
- Decent Work and Economic Growth
- Reduced Inequalities
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Peace and Justice Strong Institutions
- Partnerships for the Goals

Three key themes from Scottish Government (2019) Scotland's Wellbeing: Delivering the National Outcomes underpin the vision for public libraries in Scotland from 2021-2025:

- **People**- Libraries will support people and communities to reach their full potential and celebrate the unique skill set of staff.
- **Place** - Libraries will be recognised as both valued places and place makers, with community led design at the heart.
- **Partnership** - Libraries will deliver on local and national priorities through a strategic approach to collaboration and partnership.

## 6.9 Sportscotland Business Plan 2022 Onwards

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<https://sportscotland.org.uk/media/7796/business-plan-2022-onwards.pdf>

**sportscotland's** vision is of an active Scotland where everyone benefits from sport. They are committed to the Scottish Government's vision of a more active Scotland and the Active Scotland Outcomes Framework, which contributes to the National Performance Framework. The Active Scotland Outcomes Framework describes Scotland's ambitions for sport and physical activity. By adding value through investment, partnership working, influence and direct delivery, we lead the sporting system to contribute to all six Active Scotland outcomes:

- We improve opportunities to participate, progress and achieve in sport.
- We support wellbeing and resilience in communities through physical activity and sport.
- We encourage and enable the active to stay active throughout life.
- We improve our active infrastructure – people and places.
- We encourage and enable the inactive to be more active.
- We develop physical confidence and competence from the earliest age.

The corporate strategy, Sport For Life, and this strategic guidance are the key strategic drivers for the sportscotland business plan.

## 6.10 Sportscotland Sport For Life

<https://sportforlife.org.uk/>

The "Sport for Life" strategy by Sport Scotland is a comprehensive approach aimed at promoting and facilitating lifelong engagement in sports and physical activities among the people of Scotland. The strategy focuses on creating an environment where everyone, regardless of age, background, or ability, can participate in sports and lead active lives. It emphasises the importance of physical activity for individual well-being, community development, and societal benefits. The strategy involves collaboration with various partners, organisations, and communities to enhance opportunities for participation, develop talent pathways, and ensure that sports and physical activities are accessible, inclusive, and enjoyable for all throughout their lives.

## 6.11 Benchmarking

The following has been taken from "Local Government in Scotland Overview 2023" Prepared by Audit Scotland

*"Services were severely affected by the pandemic and future risks are significant. The impact on these services was severe in 2020/21 and into 2021/22 as many facilities closed in accordance with Scottish Government guidelines.*

*This impact can be seen in lower attendances and increased costs per visit: leisure services and museums saw a partial recovery in 2021/22, but library services saw little rebound. With little resilience in these services owing to long-term funding reductions, future challenges are significant"*

A recent survey of leisure trusts suggests a high risk of closures as a result of inflationary cost pressures.

	Trusts in Scotland Based on 84% return rate	Live Borders
<b>Financial pressures 2023/24- Management Fee</b>	<ul style="list-style-type: none"> <li>50% had a flat management fee and the other 50% reduction in Management Fee ranging from 5%-33%</li> </ul>	<ul style="list-style-type: none"> <li>CPI at March 2023 was 10.1%. A flat management fee is equivalent to a reduction.</li> </ul>
<b>Pay Awards impact of the increase (9.7%) in the National Living Wage</b>	<ul style="list-style-type: none"> <li>52% of Trusts are meeting these increases.</li> <li>48% are offering 0% - 10% but averaging a 3%-5%</li> </ul>	<ul style="list-style-type: none"> <li>In April 2023/24 Live Borders paid all staff an increase of £1,929. For someone on an hourly rate of £9.90, this increased their wage to an equivalent of the Scottish Living Wage of £10.90. This resulted in a range of pay-rise percentages from 10.1% for Grade 1 employees (142 in total) up to 2.2% for Grade 15 employees (1 in total).</li> </ul>

<b>Increased operating and utilities costs</b>	<ul style="list-style-type: none"> <li>Although some local authorities (42%) pay for utilities for their leisure and culture providers, the remaining 58% of members are fully exposed to the variation in energy prices.</li> </ul>	<ul style="list-style-type: none"> <li>Live Borders operates 60 plus buildings including 6 swimming pools</li> <li>(Staffing costs + cost of sales + overheads) was 20% higher for 2022/23 than in 2021/22.</li> <li>A monetary increase of £1.92m</li> </ul>
<b>Facility closure</b>	<ul style="list-style-type: none"> <li>Most members indicated that there are other facilities and services that are subject to review and dependent on financial pressures and discussions with local authorities, there will likely be further closures this financial year.</li> <li>63% of members are in discussions and planning around the impact of closures.</li> </ul>	<ul style="list-style-type: none"> <li>Live Borders recognise that facility closure may be an option that is required to ensure future sustainability. This works requires a joint review between Live Borders and Scottish Borders Council through which any facility rationalisation may be considered.</li> <li>Live Borders has no authority or control to close any facility. SBC, as landlord has responsibility and control for decisions on closures.</li> </ul>
<b>Customer return rates</b>	<ul style="list-style-type: none"> <li>Returns have been steadily increasing, with most members reporting 80-90% as compared with pre-Covid figures</li> </ul>	<ul style="list-style-type: none"> <li>For the full year 2019/20 (note, the pandemic did have an impact in the final month of the year – March 2020), full year figures were: <ul style="list-style-type: none"> <li>➤ Sport Participation = 1,261,559</li> <li>➤ Sports Members (DD) = 3,320</li> <li>➤ Member Retention = 79%</li> </ul> </li> <li>For full year 2022/23: <ul style="list-style-type: none"> <li>➤ Sport Participation = 1,076,000</li> <li>➤ Sports Members (DD) = 2,283</li> <li>➤ Member Retention = 49%</li> <li>➤ Sports Participation: 15% down</li> <li>➤ Sports Members: 31% down</li> </ul> </li> </ul>



## 7 Community & Stakeholder Engagement

### 7.1 Engagement Overview

The review focussed on engaging the public and key stakeholders on their views on **QUALITY**, **QUANTITY**, **ACCESSIBILITY** and **AFFORDABILITY** of leisure **facilities** and **services** throughout the Scottish Borders.

- **QUALITY** – How good are the facilities and services?
- **QUANTITY** – How many facilities and services are there?
- **ACCESSIBILITY** – How accessible are these both physically and opening times.
- **AFFORDABILITY**- What do they cost and is this value for money.



### 7.2 Activity & Reach

In delivering this review, the following engagement work was undertaken, with the full results available separate to this report.

Engagement	Numbers	Report
3 Empathy Workshops (Live Borders Staff)	14	Annex One: Interim Report
2 Live Borders Trustee Workshops	7	Annex One: Interim Report
2 Elected Members Workshops	31	Annex One: Interim Report
Live Borders and Council Staff Survey	644	Annex One: Interim Report
9 Community Drop-In Sessions	164	Annex Two: Engagement Workshop Report
9 Community Stakeholder Events	201	Annex Two: Engagement Workshop Report
2 Online Public Session	16	Annex Two: Engagement Workshop Report
1 Council Education Staff Engagement Workshop	21	Annex Two: Engagement Workshop Report
Community Engagement Survey	2,516	Annex Three: Engagement Survey Report
Secondary School Pupil Engagement Survey	2,972	Annex Four: School Survey Report
<b>Total Engagement</b>	<b>6,586</b>	

### 7.3 Integrated Impact Assessment (IIA)

At the outset of this work, an Integrated Impact Assessment (IIA) was undertaken. However, the Assessment, as an ongoing sense check will support the Council and Live Borders with the proposed review to assist 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.

The existing IIA has been managed as a live document that will be reviewed as an ongoing process. This will help to shape and inform further community engagement, to ensure the most effective reach, and ultimately to allow the Trust and the Council to demonstrate accessibility and transparency in all elements of the process and outputs.

It is essential that the IAA process and report remains as an ongoing element of this work, and any future decision making thereafter. Both Live Borders and the Council should ensure detailed understanding and mitigation of any substantial impact on equality, and on the lives of those marginalised groups.

## 8 Previous Facilities Review and Visual Audit

### 8.1 Overview

The condition of buildings operated by a Trust such as Live Borders is a key factor when considering its financial and operational sustainability.

*“Given that the average lifespan of a leisure facility is 25 years, it is vital that we take a thoughtful, coordinated approach as we rebuild from the pandemic to create the facilities communities need in the long-term, rather than piecemeal closures, refurbishment and replacement which is often focused on the physical asset rather than the combination of both quality infrastructure alongside the wider integration of public sport and leisure services as a conduit to wider public policy outcomes.”<sup>2</sup>*

It should be noted that all Scottish Borders Council’s Swimming Pools and Leisure Centres are more than 25 years old.

### 8.2 Background and Context

#### 2010 Kit Campbell Report

In 2010, Kit Campbell and Associates produced a Facilities Strategy for Scottish Borders Council. Based on condition surveys the report estimated that for just four of the sporting facilities there was a requirement (in 2010) to spend £2.2m to keep these 4 facilities in a “safe and usable condition”

Selkirk Pool	£700,000
Teviotdale Leisure Centre	£1,000,000
Gytes Leisure Centre	£300,000
Queen’s Centre	£200,000

As well as capital investment, the Kit Campbell report also recommended several strategic recommendations for SBC to take forward including:

Strategic Recommendation	Description
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<sup>2</sup> [Securing the Future of Public Sport and Leisure Services](#) (Association for Public Service Excellence, Local Government Association and Chief Cultural and Leisure Officers Association) September 2021

Think Strategically	The Council should abandon its implicit policy of ensuring that each of the main settlements has its own indoor sports provision and aim to deliver a network of strategically sited facilities over the next decade.
Swimming Pools	The Council should review occupancy levels and consider reducing opening hours at pools to minimise uneconomic operation. The Council should consider closing Selkirk Pool or, if greater savings are needed, Teviotdale Leisure Centre.
Regional Sports Centre	The Council should develop a Regional Sports Centre. Because of the limited number of potential users for each activity, it should be designed with facilities that are as multi-purpose as possible while still suitable for high level training and competitions.
Local Provision	The Council should over the next decade:  <b>Swimming Pools</b> Retain the pool in Eyemouth Upgrade the pool in Peebles Upgraded the pool in Kelso Construct a new competition pool (Regional Sports Centre) Close Selkirk pool  <b>Sports Halls</b> Construct a major competition hall with at least six and preferably eight courts as part of the Regional Sports Centre

Following publication of his report, Kit Campbell indicated that failure to implement his recommendations would result in the management of ongoing decline, ultimately leading to facility closure with no appropriate replacement.

The above recommendations were not adopted by Scottish Borders Council. Instead, a Sports Facilities & Pitches Strategy was implemented which planned to:

- Maintain the current level of Swimming Pools provision.
- Produce a long term (10 years +) sustainability plan for Pool provision.
- Commit capital resource of £280,000 per annum over 5 years (£1.4m)
- Establish community hubs.

### Service Redesign Report 2021

The Service Redesign report 2021 was developed following the agreement of the Fit for 2024 Programme in February 2019, and the Live Borders Strategy (2019-23).

It focused on the primary functions of Live Borders – including the following relevant to this strategic review:

- Museums & Galleries
- Sports, Leisure Centres and Swimming Pools
- Library Services
- Public Halls
- Community Centres

### Museums & Galleries

The report set out an aim to develop service arrangement that seek more sustainable solutions for smaller/niche venues – those with a footfall consistently below 5,000/year including, but not limited to:

- Development/investment potential
- Co-location as part of a Community Hub
- Asset Transfer
- Income generation
- Combinations of the above

### **Sports, Leisure Centres and Swimming Pools**

The report sought to continue the provision of current services but with a focus o:

- Maximising the opportunities from investment in the Learning Estate to replace and renewing ageing facilities, increasing usage and participation, and moving services to a more sustainable footing – both environmentally and financially.
- Developing and expanding health and wellbeing provision in partnership with other community planning partners and local communities out with the current sporting estate for example in Community Hubs.
- Better aligning opening hours with demand for services.

### **Library Services**

In considering library services, the report highlighted opportunities for future service delivery include:

- The continued expansion of popular digital services
- Continuity of the existing mobile library service
- Co-location of physical library service with other pubic and community services and facilities – possibly within a Community Hub (which, where suitable, could be based in a library building or within the Learning Estate or any other suitable building)

### **Public Halls**

With a view to focusing investment, activity, and footfall in sustainable, multi-purpose facilities and – recognising that there is no one-size-fits-all – future services opportunities in this report included:

- Seeking to provide a sustainable venue solution in each community where there is currently a public hall and where there is sufficient demand or where the venue is part of a sustainable multi-purpose facility such as:
  - The Learning Estate – including both the existing estate and future investment in the learning estate
  - Community Hub – co-location with other public and community services and facilities
- Support for asset transfers where there is a viable case with sufficient demand.

### **Community Centres**

As above, with a view to focusing investment, activity and footfall in sustainable and flexible facilities, future redesign opportunities included:

- Co-location of services as part of a Community Hub (which could include developing use of – and the fabric of – the Community Centre to incorporate other services and functions)
- Maximising the use of and investment in the learning estate
- Asset Transfer
- Seek to develop a consistent approach to supporting the 10 current community centres. recognising that there are in the region of 90 independent community centres and village halls across the Borders.

The report stated: “On average the Council spends £12m/year (4% of its annual revenue budget) on maintaining and servicing its estate. The sheer size of the estate means that this investment is spread too thinly and, consequently, the maintenance backlog is growing and currently standing at over £22m”

Both the above report, albeit 11 years apart demonstrate a real challenges facing both the Council and Live Borders in terms of redesigning services and meeting the never- ending repairs and maintenance costs for the buildings and continuing to provide value-for-money quality sports, cultural and leisure services.

In delivering this strategic review, the findings note that these challenges still remain, and in many cases have become more profound. Our recommendations seek to embody the rationale behind the above, in the context of further community feedback and research.

### 8.3 2023 Visual Audit

As part of this review, visits to 46 buildings owned by the Council that are managed and operated by Live Borders were made. As agreed, the visual audit only considered the areas accessed by customers in a range of sports, museums, libraries, halls, and community centres.

Each facility was given a visual walk through, photographed, with each customer accessible area graded as

- A – Fit for purpose,
- B – Needing some investment, or
- C – Not fit for purpose.

The findings of this audit are available in a separate report and reaffirm the concern that a lack of investment in pre-planned maintenance is already having an impact on the estate and with a further lack of investment, will in turn result in longer term escalation of more significant problems, and associated costs.

The Visual Audit report is available as Annex Five

## 9 Review of Financial Information

### 9.1 Current Financial Context

In undertaking this review, the financial context and visitor / user numbers, were provided in detail by Live Borders. The following tables summarise the most recent, and relevant figures in relation to operating costs and deficits.

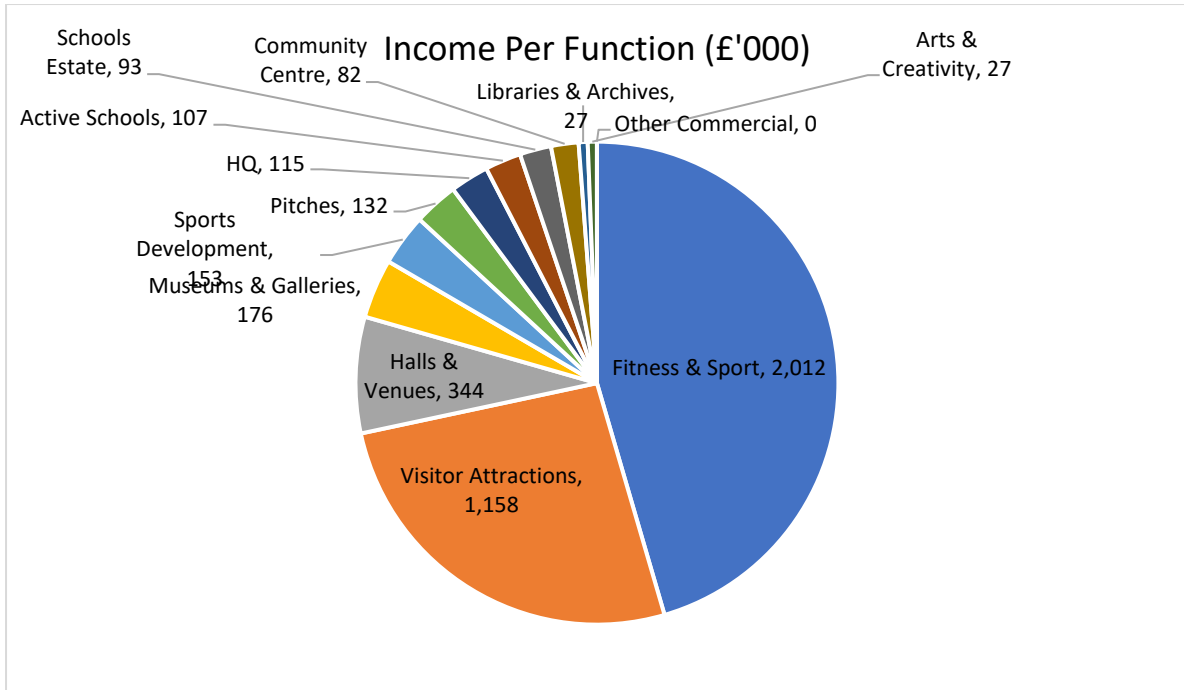
Cost Area (2022/23)	Income	Staffing	Cost of Sales	Overheads	Surplus/ Deficit
Total for HQ	£114,517	£1,025,145	£513	£758,209	–£1,669,351
Total for Fitness & Sport	£2,012,319	£1,674,169	£103,992	£1,423,310	–£1,189,152
Total for Libraries & Archives	£26,643	£564,740	–£849	£313,442	–£850,690

Total for Museums & Galleries	£175,651	£598,665	£23,266	£269,511	-£715,792
Total for SDU	£152,743	£351,592	£0.00	£200,844	-£399,694
Total for Active Schools	£106,789	£403,596	£0.00	£65,538	-£362,345
Total for Other Commercial	£0.00	£346,995	£0.00	£3,405	-£350,401
Total for Community Centre	£81,502	£170,603	£0.00	£240,758	-£329,859
Total for Arts & Creativity	£27,009	£87,817	£1.28	£131,891	-£192,700
Total for Halls & Venues	£344,278	£156,457	£5,576	£353,728	-£171,485
Total for Pitches	£131,764	£91,705	£512	£81,509	-£41,962
Total for Visitor Attractions	£1,157,920	£621,805	£166,486	£455,950	-£86,322
Total for Schools Estate	£93,164.80	£49,832.55	£0.00	£53,023	-£9,691
<b>TOTAL:</b>	<b>£4,424,304</b>	<b>£6,143,130</b>	<b>£299,500</b>	<b>£4,351,123</b>	<b>-£6,369,449</b>
MANAGEMENT FEE	£5,868,947				£5,868,947
<b>SBC Contract</b>	<b>£10,293,251</b>	<b>£6,143,130</b>	<b>£299,500</b>	<b>£4,351,123</b>	<b>-£500,502</b>

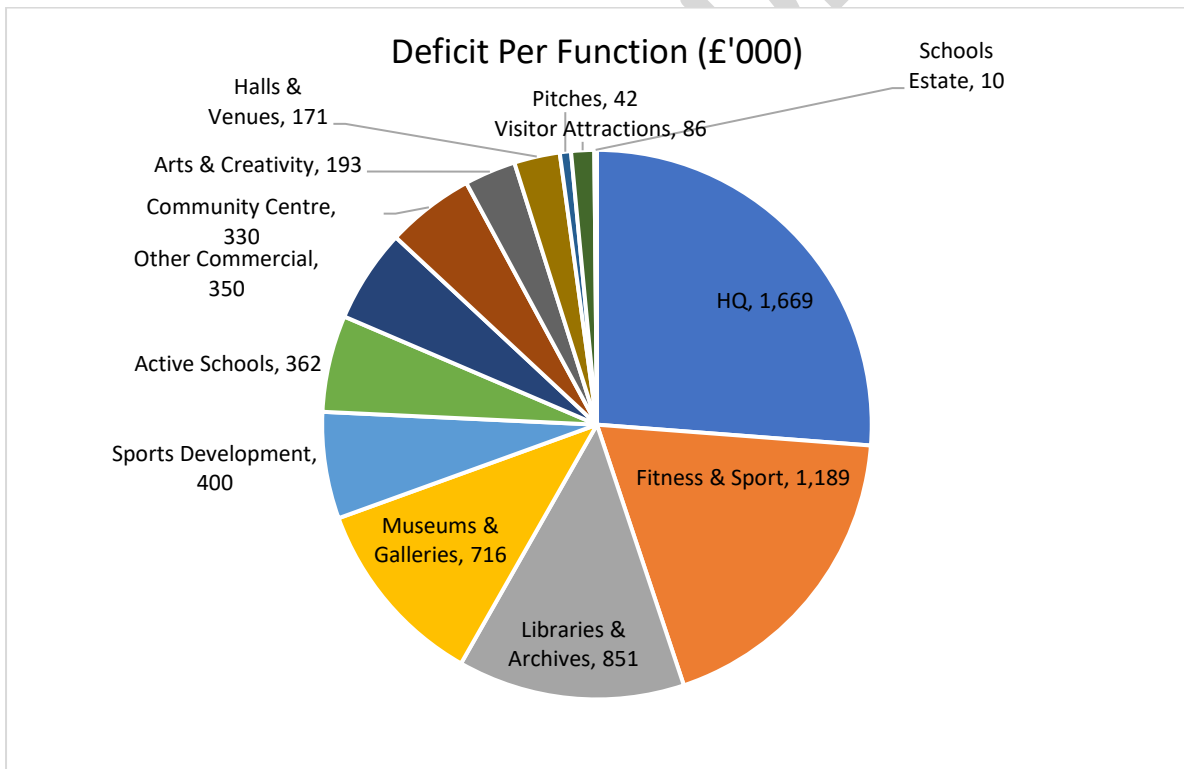
Every service operates at a deficit. The 2022/23 management fee comprised of the base management fee of £4.782m plus Active Schools contribution and 2 x one off payments. The overall operating deficit in 2022/23 was circa £500k. The planned management fee in 2023/24 is £750k less than the 2022/23 fee.

Funding	2022/23 (actual)	2023/24 (estimate)
Base Management Fee	£4.782m	£4.782m
Covd (one off payment)	£483k	£0
Active Schools	£300k	£334k
Energy / Inflation	£330k	£0
Adjustments	(£26k)	£0
Total	£5.869m	£5.116m

### Summary of Income By Function



### Summary of Deficit By Function



## 9.2 Comparative Pricing

Live Borders benchmark their prices against National data compiled by **sportscotland** <https://sportscotland.org.uk/media/7287/facilities-charges-review-2021-22-report.pdf>

By comparison to the national average (for Adult Commercial price rates), Live Borders prices in most cases are marginally less than the National average by approximately £1. The charges where Live Borders pricing varies by more than £1 are:

Activity	Live Borders Prices (2022/23)	National Average	Difference	Reason / Rationale
Gym Visit	£ 6.50	£ 4.37	£ 2.13	Helps to drives users towards the more attractive membership offer (i.e.) weekly gym membership costs just £6.68
Adult swim class (actual tuition, master's, and stroke development)	£ 5.70	£ 7.17	-£ 1.47	National average covers various types of class and sizes of class. It is not a direct comparator
Main pool hire (commercial)	£ 108.00	£ 98.85	£ 9.15	This is commercial rate – local swimming clubs pay the partner rate which is less than national average
3G 1/3 pitch 1 hr (commercial)	£ 35.00	£ 36.12	-£ 1.12	Benchmarked against other similar sized authorities
3G Full pitch (commercial)	£ 91.00	£ 67.55	£ 23.45	Majority of users pay 'partner rate' which is £73 adult/£57 junior. There is also a partner match rate which is £74 (for 1.5hrs)
Five-a-side 1 hr (commercial)	£ 31.00	£ 35.63	-£ 4.63	1 facility only (Gala cage) Rate was dropped from £39 (2018/19) to drive usage
Track event hire (400m) per hr (commercial)	£ 21.90	£ 29.92	-£ 8.02	Majority of users pay 'partner rate' + benchmarked against other similar sized authorities
Indoor Full hall 1 hr (commercial)	£ 38.40	£ 45.56	-£ 7.16	Reflective of local market and other non-LB facilities i.e., school estate managed by SBC charge less for comparable spaces

Most Live Borders users do not pay adult (commercial) rates, but are members of Live Borders and pay a monthly direct debit covering swim, gym, class or 'One Club.' Changing the adult (commercial) rates to bring them all into line with the National average may not result in any significant change to income. Similarly, most of the usage of 3G pitches is from Partnership Clubs who have concessionary rates.

The current health and fitness membership landscape is challenging. Health and fitness prices should not only be benchmarked nationally but by using local competition as a comparator. Since the pandemic, there has been a rise in 'private' sector operators for both gym and group exercise-based facilities. Galashiels is also expecting the arrival of a large national private sector competitor in the next few months. Coupled with the cost-of-living crisis and its impact on consumer expenditure, membership and its perceived value is more important than ever.

A major focus must be on adding value and experience to the membership offer, driving the value of the proposition to increase retention rates and to increase the length of stay and to grow revenue.



## 10 A Forward Thinking Strategic Approach

### 10.1 Property

#### Repairs, Maintenance & Leases

Given the significant number of mid to late 19<sup>th</sup> century buildings, and those buildings which have exceeded their recommended life cycles, there are clear issues around the requirement to fund pre-planned investment repairs and maintenance of the buildings in which Live Borders delivers its services. This was previously highlighted in both Kit Campbell's (2010) report, and in the more recent service redesign work.

This issue has been recently highlighted by the substantial, and unforeseen failures in core plant and machinery at key leisure sites, resulting in significant unbudgeted capital requirement from the Council.

Additionally, the review has identified disparity in the extant leases and the existing Service Provision Agreement, around the respective responsibilities for property repairs and maintenance between the Scottish Borders Council (the landlord) and Live Borders (the tenant). This has resulted in a lack of clarity around reporting, planning, funding, and the implementation of maintenance and repairs in a manner that is effective and efficient for both parties.

In reviewing examples of best practice, it is noted that Highland Council retains the responsibility, resourcing and management of repairs and maintenance across the estate operated by High Life Highland. This allows the Trust to focus on service delivery.

**All repairs and maintenance responsibilities relating to council owned buildings, currently leased to Live Borders, reverts to Scottish Borders Council. This should be reflected in all future leases, and in the Service Provision Agreement.**

To ensure adequate financial planning, and to avoid further unexcepted major capital spend, and mitigate against further property decline, the following recommendations are made:

**It is recommended that full buildings condition and structural surveys be carried out on all buildings leased to Live Borders.**

**It is recommended that a full energy audit be carried out on all buildings leased to Live Borders and from this, a programme for investing in more effective and efficient green energy solutions can be developed.**

Nearly half of Scottish Councils surveyed pay for their Leisure Trust's energy and utility costs. Whilst recognising that this may be reflected in the management fee, it provides economies of scale, and reduces the risks faced by the Trusts in a volatile market. Again, this also allows the Trust to focus resources and expertise of service delivery.

**It is recommended that when the current energy provider contracts expire in March 2024 that the responsibility for all future utilities and energy costs transfers to the Council. It is recognised that this will result in this cost being removed from the annual management fee.**

Noting the above points relating to property there should be a review of the of all leases between the Council and Live Borders. In addition, if Live Borders are to apply for major capital funding, it will be a pre-requisite that a long-term lease is in place.

**It is recommended that all existing leases should be reviewed in line with the recommendations above, and these should be for a period of 25 years, commencing 1<sup>st</sup> April 2024.**

## Community Centres

Live Borders currently provides janitorial and cleaning staff for 10 local community centres and for their utility costs. In turn these centres are operated by local management committees who pay Live Borders a fee. The method of booking depends on the individual community centre and management committee. The community centre management committees generally manage the day-to-day running of the centre, including bookings, rates charged, and income generated.

The social value of halls/community centres includes use of the venues for regular local events & activities, emergency response and Covid-response. Volunteers also regularly fund-raise for improvements to their building and, as a proxy measure, this can inform the community contribution.

Through the community and stakeholder engagement process, it appears that the delivery of community centres by Live Borders does not fit with the service provided across other functions. There is limited scope to standardise the bookings, management, and staffing of these facilities. As a result, there is a negative perception of the Trust's performance in this area.

Considering the community feedback around future community management and ownership of local facilities, the Council should engage with the local management committees who deliver the activities within the Centres throughout the Borders. This consultation should seek to determine whether local communities have the capacity and capability to take on community ownership of these local centres.

The Council would benefit by working with the communities, who could, in turn, purchase the facilities through the Scottish Land Fund, thereby generating a capital receipt for the Council.

**It is recommended that the future responsibility for all Community Centres reverts to the Council pending further work to support community ownership options.**

## Property Rationalisation

Currently Live Borders delivers services from over 60 buildings throughout the Borders. There is a view within the Trust and the Council that services may be better delivered within fewer, better utilised buildings. Through all high-level engagement (Elected members, Trustees and Senior Managers), there is a clear appreciation that the quality and number of the existing buildings managed and operated by Live Borders is not sustainable. Overall, the Board and Senior Managers recognise a need to investigate how services can be delivered in a reduced number of facilities throughout the region.

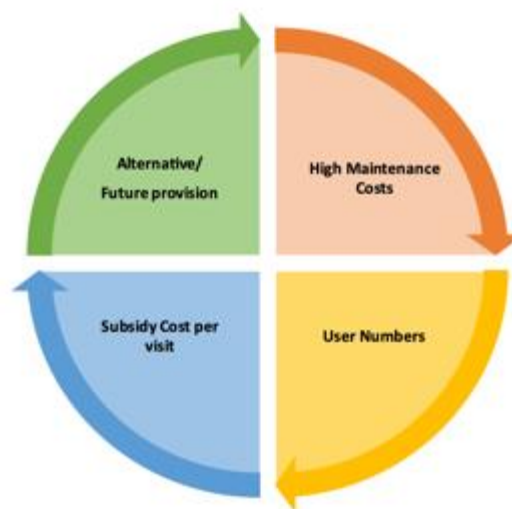
In delivering this review, community and stakeholder engagement was gathered around questions relating to the Quality, Quantity, Affordability, and Accessibility of buildings and services. The result of this engagement supports the view that services are being delivered in too many facilities, many of which have exceeded their intended lifecycle, and as a result the quality of these facilities, the opening hours (accessibility) and the level of service is perceived as poor quality.

Feedback across all engagement activities has highlighted some issues with the declining condition of buildings operated by Live Borders. Whilst there are some facilities that are in good or reasonable condition (as far as public access allows), the general public are not aware of underlying plant and machinery and the future pre-planned repairs and maintenance arrangements for these needs to be agreed.

Consistent feedback through the various community engagement exercises, highlighted the concerns around the number of facilities (quantity), the condition of facilities (quality), the opening hours (accessibility), and the value for money (affordability). From that, it was concluded that the Trust is working to deliver across an aging property portfolio that is negatively impacting the quality and accessibility of services.

Closing buildings that are old typically involves considering various factors to make an informed decision. In addition to the visual audit report and the factors above, we have created a model that the future of existing buildings might be assessed against. Where a building meets three out of four of the following criteria, it should be investigated as an options for repurposing, or sale for a capital receipt.

- High repair and maintenance cost
- Decreasing user numbers
- Increasing running costs
- Potential to relocate or co-locate services locally (e.g., school estate, consolidation etc.)



Live Borders and the Council have opportunities to consider co-location of services and provision, allowing more efficient and effective service delivery. This will support greater access in terms of opening hours and synergy between activities.

**It is recommended that a further detailed options appraisal and associated consultation is undertaken on divesting buildings identified as meeting the criteria above.**

### Further Development of the Hub Concept

Through the engagement with senior managers, board members and elected members, there were a number of discussions and points raised around the provision of services within shared facilities in the community. Feedback from surveys demonstrated the concept of shared services all under one roof was seen to be desirable. The concept of a community hub model was regularly raised, and generally supported as an efficient and effective future model for facility and service provision. This review recognises that the Scottish Borders Council has delivered a shared school/community campus at Jedburgh Intergenerational Campus. Galashiels Campus is now at an advanced design stage and this concept has successfully been delivered elsewhere in Scotland at Brechin and Lasswade High School Community Campuses.

The Turner and Townsend Schools Strategic Brief (2022) further outlines a strategic and operational direction for the development of new schools with shared facilities, including school and community

leisure facilities on a single campus.<sup>3</sup> The brief also advocates concurrent school and community use during the school day.

Through the engagement with senior education staff, there was support for this model of hub provision, albeit with the requirement to ensure there was adequate scale and scope to ensure community access, safeguarding, integration and capacity.

The concept of a Community Hub is already widely recognised in sports and leisure, with examples throughout Scotland also now seeing the integration of library services, contact points, and the wider inclusion of health and community services operating from the same facility. The development of any hub would need to take consideration of appropriate locations, and the breadth of population it may serve.

Whilst a hub concept may be strategically beneficial in larger population communities, the Trust would also have to consider how it continues to serve more rural areas and communities, and as such bespoke hubs need to be developed to accommodate local needs and development.

**It is recommended that a strategic approach for future shared school/community use of campus-based sports and cultural activities should be continued and expanded by the Council based on existing successful models.**

## 10.2 Management & Operations

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Live Borders has been delivering a high level of service across all functions, albeit with the challenges outlined in this report. This has caused the senior management team to focus on operational proprieties and imperatives rather than on the strategic development of the organisation.

Through engagement with senior staff and Board members, it emerged that there is a need to have a jointly approved 10-year Business Plan and a Business Continuity Management Plan. Having considered this, and given the scale of the Live Borders activities, and the challenging environment, it would be prudent to have in place a business and financial plan which would be in line with private sector businesses of a similar scale as soon as practicable.

The plans above would work towards mitigating future risks and identify the required resources and capacity for Live Borders. This would provide confidence for all stakeholders, and would outline the key business targets, financial forecasting, and risk management associated with delivering a sustainable business model.

**It is recommended that Live Borders create a 10-year Business Plan and a Business Continuity Management Plan.**

From a user and customer perspective feedback suggested a lack of awareness of activities available within the local facilities. Some respondents also highlighted that they were unaware of certain Live Borders facilities and services local to them. However, it should be noted that the awareness feedback in the survey was relatively high.

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<sup>3</sup> The Turner and Townsend Schools Strategic Brief (2022) Report provided by Scottish Borders Council

Regarding internal communication, staff feedback highlighted the need for greater lead-in times around promotions and messaging, allowing them to be better placed to support the customer facing elements of any promotion or initiative.

In addition, feedback suggested that the Trust could be more proactive in promoting its activities, successes and benefits to Elected Members, and the public. For some, it appeared that there is a lack of understanding of the financial and non-financial benefits provided to the community through Live Border’s activities.

**It is recommended that Live Borders create and implement a robust Marketing and Communications Strategy and Implementation Plan to support the Business Plan.**

Respondents’ feedback indicated that the existing booking systems and processes were very poor. Feedback was provided across all engagement activities around issues with the existing systems, the existence of different or multiple systems, and the difficulty in using them. There was concern that regardless of age or ability, the booking systems were a barrier to accessibility.

Some respondents felt that the booking system, in some places, was a carry-over from Covid-19 processes and mitigations, and that there may now be less need for these. There were comments around the existence of multiple apps and systems for booking sport and leisure, depending on the venues, with resulting confusion.

**It is recommended that the current booking systems are reviewed and a single booking system is created that is easy to use and links to a revised and updated website and App.**

Feedback from discussions suggested that Elected Members’ attendance at Board meetings tended to curtail discussion around certain issues and Councillors felt frustration about having to declare interests and absent themselves from participation in Council discussions and decisions in relation to Live Borders Trust business.

There are advantages and disadvantages of having local councillors as Board members as outlined in the table below.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>● <b>Accountability and Transparency:</b> Councillors represent the interests of the community and can ensure that the decisions made by Live Borders board align with the needs and preferences of residents.</li> <li>● <b>Policy Alignment:</b> Councillors often have a deep understanding of local policies, regulations, and strategic plans.</li> <li>● <b>Local Knowledge and Insight:</b> Councillors possess valuable local knowledge and insights about the needs, preferences, and challenges of their constituents.</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Conflict of Interest:</b> Councillors may have conflicting priorities, as they are responsible for making decisions in the best interest of their constituents while also serving on the board</li> <li>● <b>Limited Expertise:</b> Some Councillors might not possess the necessary expertise in sport, culture and leisure</li> <li>● <b>Limited Accountability:</b> If councillors are part of the Live Borders board, it might become unclear where primary accountabilities lies.</li> </ul>

<ul style="list-style-type: none"> <li>• <b>Policy Development:</b> Councillors bring political expertise and experience in policy development. Their involvement can contribute to the formulation of effective policies and regulations that guide the operation of leisure facilities and services,</li> <li>• <b>Conflict Resolution:</b> In the event of disputes or conflicts related to leisure services, having councillors on the board can help facilitate communication and resolution.</li> <li>• <b>Public Perception:</b> Councillors' presence on the board can enhance public trust and confidence in the decision-making process of the Live Borders.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Reduced Independence:</b> Live Borders is meant to operate independently to ensure effective management and decision-making. Having councillors on the board might compromise the independence of the trust by introducing external influences and pressures.</li> <li>• <b>Transparency and Public Perception:</b> Councillors' involvement could raise questions about transparency and fairness in decision-making, as the public might perceive their actions as favouring certain interests over others.</li> <li>• <b>Efficiency and Focus:</b> The inclusion of councillors may slow down decision-making processes, as they might have to balance their duties as councillors with their responsibilities on the leisure trust board. This could hinder the trust's ability to respond quickly to operational challenges.</li> </ul>
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**It is recommended, noting the advantages and disadvantages, that the Council and Live Borders jointly consider whether Elected Members should continue to sit on the Live Borders Board.**

In line with good governance practice, the Board of Live Borders should implement an annual skills audit to determine skills gaps, and identify opportunities for recruitment, training, or external support.

**It is recommended that a skills audit of Live Borders trustees and Senior Managers is carried out to assess if there are any skill gaps in the Board and Management Team. Where skills gaps are identified, the appropriate recruitment and or training should be undertaken.**

Feedback suggested that there was a lack of staff empowerment within Live Borders. Comments were provided around the timescales of operational decision-making being too long and limiting, and that greater autonomy at management level could allow for a more proactive organisation.

**A process is set up by which staff are actively encouraged to bring forward ideas and innovations, and as a result feel an increased sense of appreciation, and value for their work. Underpinning this, a staff incentive scheme should be considered.**

Feedback suggested that in line with current practice across the public and private sectors, the staff performance and appraisal process should be rolled out across the whole organisation. This would ensure clarity of purpose as well as ensuring that there is a cohesive approach to the delivery of the business plan.

Staff appraisal processes should consider the following:

- Feedback and Communication

- Goal Setting and Alignment
- Performance Improvement
- Recognition and Motivation
- Identification of Training Needs
- Fairness and Equity
- Documentation
- Legal Compliance
- Succession Planning.
- Overall Organizational Improvement

It is important to note that the effectiveness of staff appraisals depends on how these are conducted. Appraisals should be fair, transparent, and focused on growth and continuing professional development. Additionally, these appraisals should be a part of an ongoing feedback and performance management process.

**It is recommended that Live Borders continue to develop and implement a robust staff performance appraisal system in order support staff training opportunities, and effective succession planning.**

Both Live Borders and Scottish Borders Council have support service staff in payroll, IT, human resources, and finance functions, each of which operates in a similar manner. There may be opportunities for economies of scale by reviewing these functions and identifying any common areas and potential savings.

Given the timescales for this review, it was not possible to investigate these elements of the organisations to a degree that would support a conclusion or recommendation. Therefore, this should be further investigated.

**It is recommended that an independent review of support service operations (payroll, IT, Human Resources etc) be carried out to assess if there are economies of scale for the Council and Live Borders.**

Live Borders have been delivering a high level of service across all functions, albeit with the challenges outlined in this report. As noted, this has caused the senior management team to focus on operational proprieties. By creating a new post of Business Development Director, that role can focus on the overall sustainability of the organisation through additional commercial income streams and other revenue generation opportunities.

**It is recommended that a new post of Business Development Director is created for Live Borders focussing in driving commercial revenue and future income generation.**

### 10.3 Revenue Generation

#### Live Borders Management Fee

Currently, the Service Provision Agreement recommends payment of the annual management fee quarterly to Live Borders. Given recent increases in Interest Rates (circa 5%), significant interest could be generated on the full value of the management fee. By paying this management fee in one single

payment at the beginning of each financial year, Live Borders will be able to benefit from this accrued interest over the course of the year. Taking consideration of a monthly outgoing (circa £550,000), it is estimated that over the course of a 12-month period, interest of approximately £150,000 may be generated. In the immediate term (2023), if the Council were to release the remainder of the current year's management fee, this could generate approximately £15,000 in interest.

**It is recommended that the Council pays Live Borders the full management fee at the start of each financial year.**

## Sport & Leisure

As shown in the table below, Sports and Leisure Facilities operated by Live Borders operate at a significant financial deficit, cumulating in an operating loss of over £1m.

Facility	Deficit
Eyemouth Leisure Centre	-£194,499.64
Galashiels Swimming Pool	-£112,011.71
Peebles Swimming Pool	-£161,391.60
Kelso Swimming Pool	-£129,833.32
Selkirk Leisure Centre	-£138,309.63
Teviotdale Leisure Centre	-£323,339.12
Tweedbank Sports Complex	-£39,370.25
Gytes Leisure Centre	-£85,704.38
Queens Leisure Centre	-£5,190.54
<b>Total Deficit</b>	<b>-£1,189,650.19</b>

While it is recognised that the facilities above operate at a deficit, this review provides a significant body of evidence to demonstrate the value of sport and leisure, in relation to improved health, wellbeing and quality of life. As such, it should be recognised that providing these services, on behalf of the Council has a significant non-financial benefit and should not be viewed solely from a cost/benefit perspective.

Community and stakeholder engagement has identified sports and leisure provision as the number one ranked priority across the Borders, and for each individual locality. Across the Borders, the value for money from Sports and Leisure services and facilities was one of the highest scoring metrics, alongside a strong recognition that the services and facilities were vital in benefitting individual's physical and mental health.

As benchmarked in this report (section 9), the current pricing point for several sports facilities and services are lower than the National Average. Throughout Scotland, prices for sports facility use have increased – examples include Glasgow, South Lanarkshire, Highland, and East Renfrewshire.

With a footfall in sport and leisure just over 500,000, and an income of circa £2m, a modest 10% price increase across the sports and leisure activities would generate around £200,000.



**It is recommended that the price for sports and leisure activities is reviewed, with a view to increasing income by 10%.**

It is noted that Live Borders currently operates an in house café in Teviotdale Leisure Centre. This café is currently operating at an annual loss of around £40,000.

Through the community engagement, there were some negative comments around the café provision. From our experience in other similar projects, a solution could be to consider a third-party operator. This would remove the risk of deficit funding and operational risks to Live Borders, improve customer satisfaction, and provide a secure annual rental income for Live Borders, removing the current deficit. An alternative, or short-term option, would be to close the current café and offer smaller scale vending machines as is provided in other Live Borders facilities.

**It is recommended that the café facilities currently operated in house at Teviotdale Leisure Centre are advertised for a lease arrangement in return for an annual rental fee.**

It is understood that some buildings offer opportunities for private sector operators to rent space for activities relating to sports and leisure. Further investigations are required to identify underutilised spaces within leisure centres and community facilities that could be made available for commercial hire. Live Borders would then be able to facilitate a wider range of ancillary services and activities, whilst generating additional income.

**It is recommended that, where space allows, third party services such as sports clinics, physiotherapy and other treatment providers are offered rental agreements to provide income and enhance the breadth of services offered within Live Borders sports, leisure and community facilities.**

## Museums

As shown in the table below most Museums operated by Live Borders operate at a significant financial deficit, cumulating in an operating loss of over £500,000.

Museum	Overall Deficit
Heritage Hub	-£171,899
Coldstream Museum	-£13,991
Old Gala House	-£23,152
Borders Textile Towerhouse	-£47,001
Hawick Museum	-£159,974
St Ronan's Wells (Innerleithen)	-£20,112
Jedburgh Jail	-£31,021
Mary Queen of Scots (Jedburgh)	£4,952
Chambers Institute (Peebles)	-£55,077
Halliwells House (Selkirk)	-£9,147

Sir Walter Scott's Courthouse	-£14,697
	<b>-£541,119</b>
Total Footfall	83,587
Total Cost Per Visit	£8,48
Subsidy Per Visit (Deficit)	£6.47

The following is taken from the “Success Guide Successfully Setting Admissions Policy and Pricing” 2016<sup>4</sup>:

- Museums that have moved from free to charging most commonly report that this has a negative impact on overall visitor numbers, with some reporting notable decreases in visitors, especially in the number of local visitors.
- All of the museums that have moved from free to charging report a positive impact on admissions income, and for some this has been a substantial level of income which has strengthened the overall financial position of the museum.
- There is evidence that visitors to paid admission sites are more likely to visit and buy from the shop, or use on site catering, than those to free admission sites

Glasgow City Council are currently considering charging for access for all non-residents.

Assuming 50% of those visitors are local and retain free entry, then the remaining 50% could generate up to £164,000 (41,000 people paying an average of £4 when considering both full price and concessions). This would likely reduce the donation income, but ultimately provide a larger total revenue. Net estimate £100,000.

**It is recommended that Live Borders and the Council consider the introduction of an admission charge for all museums for visitors who do not live in the Scottish Borders Council catchment area.**

Notwithstanding the recommendation above, Live Borders and Scottish Borders Council should also consider a review of the full museum estate and develop a strategy to enable the Council’s collections to be fully accessible and curated to current standards.

### **Grant Aid & Social Prescribing**

The [Scottish Council for Voluntary Organisations \(SCVO\)](#) provides a regular grant update notification service for charitable groups, listing opportunities for various capital and revenue grants across a variety of sectors and activities. A key benefit of delivering sports, leisure, and culture through an arm’s length organisation, is that the organisation (in this case Live Borders) is eligible for a wider range of capital and revenue grants that a local authority cannot access.

In 2022/23, Live Borders secured £260,000 in grants, but recognise that this has decreased over recent years. A focus should be on re-establishing a target figure for securing external funding linked to

<sup>4</sup> [Success Guide Successfully Setting Admissions Policy and Pricing](#) 2016 (Association of Independent Museums/ Dr Stephen Connolly, Jonathan Durin, Chris Berriman, DC Research)

property improvements, moving towards Net Zero, and assisting with the delivery of programmes such as social prescribing, health, and wellbeing.

**It is recommended that Live Borders set a target figure for bringing in external grant aid and consider appointing a fund raiser on a commission only basis as part of an overall strategy for accessing grant aid funding.**

Scottish Borders Health and Social Care Partnership (HSCP) is establishing a 'Social Prescribing Delivery Group' (SPDG) to identify issues relating to Social Prescribing and to oversee the funding and actions to deliver Borders-based solutions.

Social Prescribing enables GPs, nurses, primary care professionals, Social work staff and others to refer people to a range of local, non-clinical services to support their health and wellbeing. As well as providing alternatives to clinical care for people with diagnosed conditions, Social Prescribing can also be used for preventative healthcare initiatives.

Live Borders has operated a social prescription model of exercise referral since 2016 where health professionals can refer clients/customers to Live Borders for subsidised gym/swim membership or into specific classes and programmes to support a variety of physical and mental health outcomes.

Pre Covid, referral numbers received by Live Borders were approaching 700 per year, although since Covid, it is predicted that numbers for 22/23 will peak at about 500. These referrals came from a wide variety of community partners such as GP's, nurses, Area Health Partnerships, Scottish Borders Council and charity organisations. Referrals were triaged internally by a Health & Physical Activity Development Officer and a team of Health Instructors then followed up with calls/contact and inductions.

Live Borders can deliver a wide range of activities and services that relate to social prescribing and recognise that the Council have accessed Scottish Government funding to support this through the Healthier, Happier, Stronger Fund.

**Scottish Borders Council works with Live Borders to deliver a proactive programme of social prescribing activities in their facilities. This could be funded through the Scottish Government's Healthier, Happier, Stronger Fund.**

## **Membership**

Current One Club direct debit memberships are confusing and membership numbers are reducing due to customers not being retained due to the impact in the cost of living. crisis and energy and inflation levels. The following performance data is noted:

### **Retention in memberships**

- 2022/23 annual retention was 51% against a target of 80%.

### **New members recruited in 2022/23**

- 19% of 632 new member sales cancelled before 12 months.
- From the 19% (122)
- 16% of the new members cancelled before month one.
- 46% of the new members left after 3 months.

- Overall, 77% of new members who cancelled, left within 6 months.

Feedback from the community engagement suggested that the price of the membership did not provide good value for money compared to other private sector operators.

In reviewing Trusts and similar providers elsewhere, there are examples of membership schemes with a better value schemes. High Life Highland operates in a similar structure to Live Borders and faces many of the same challenges, A High Life membership provides individuals and families with access to all pools, gyms, fitness classes, and badminton bookings for one monthly cost. It also provides additional benefits with third party businesses and services in the Highlands, including Borrow Box library services, and partnership access to facilities elsewhere in Scotland, including those operated by Live Borders.

**It is recommended that a full review of the One Club scheme is undertaken, including a review of the quality of facilities, with a view to develop a more appropriate and attractive sports, leisure, and culture package.**

Using the premise that employees who regularly participate in physical activity are more likely to be healthier, and therefore less likely to be absent from work through illness, all major employers throughout Scottish Borders should be invited to participate in a salary sacrifice scheme. This is where a small amount is deducted monthly from their salary, matched by their employer's contribution to pay for access to health and wellbeing classes delivered by Live Borders.

This scheme could be used to provide memberships as outlined above, with examples of Trusts and private sector providers engaging in similar initiatives, including via [Incorpore](#) as a trusted third party with an enviable track record in this field.

**A Salary Sacrifice Scheme is considered providing employees of key businesses low cost or subsidised access to sports, leisure and cultural services and membership schemes.**

### Summary of Income Generating Initiatives

Payment of balance of current year's Management Fee	£15,000
Payment of full year Management Fee on 1 <sup>st</sup> April 2024	£150,000
Increase sports charges by 10%	£200,000
Franchise Teviotdale Centre café Reduce deficit £40k New rental £12k	£52,000
Rental underused space for commercial operator	£12,000
Admission charges for Museums	£100,000
Increase grant aid secured	£250,000
Secure Social Prescribing Funding	£200,000
Review One Club Direct Debit To be reviewed	
Introduce Salary Sacrifice Scheme To be reviewed	
<b>Sub Total</b>	<b>£979,000</b>

## 10.4 Future Aspirations Young People

To engage younger people a survey of 10 secondary schools was completed and received 2,981 replies.

From the analysis of results the most popular leisure activities they currently participate in weekly are;

- Socialising with Friends 80%
- Taking part in outdoor sports 60%
- Computer Gaming 53%
- Taking part in indoor sports 32%

Their least favourite activity was visiting a museum or a library.

We asked them what services they rated highest

- Sports Pitches 52%
- After School activities 52%
- Swimming Pools 44%
- Using Leisure Centres 33%

Asked what facilities were missing from their area the top 5 answers were;

- Trampoline Centre 58%
- Pin Bowling 44%
- Ice Rink 44%
- Swimming pools 29%
- E Gaming Facilities 27%

## 10.5 Service Provision Agreement

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The Service Provision Agreement is the contract for services between Scottish Borders Council and Live Borders, and informs the annual management fee paid by the Council. Below is a summary of the key elements that could be considered as key to a revised future Service Provision Agreement.

This agreement outlines the responsibilities, expectations, and performance standards between the Scottish Borders Council and Live Borders in delivering sport, cultural and leisure and recreational services to the Scottish Borders Council communities.

**Scope of Services:** Live Borders shall provide the following services in return for an annual Management Fee from Scottish Borders Council:

- The operation and management of leisure facilities, including libraries, museums and visitor attractions, sports facilities and leisure centres and swimming pools, fitness facilities, and community centres and halls.
- Development and implementation of recreational and creative programmes and activities.
- Maintenance and upkeep of facilities to ensure a safe and enjoyable environment for users.
- Engagement with the local community to reflect their needs for the provision of inclusive services.
- Compliance with relevant health and safety regulations and industry standards.

**Responsibilities: Scottish Borders Council responsibilities:**

- To provide adequate financial support to Live Borders as agreed in the funding agreement.
- Retain ownership of the leisure facilities and ensure appropriate infrastructure support including landlord responsibilities for repairs and maintenance.

- Set strategic objectives and performance targets aligned with community needs and best practice.
- Monitor and evaluate the performance of Live Borders against agreed-upon performance indicators.
- Work in partnership with Live Borders in decision-making processes and policy development.

**Responsibilities: Live Borders:**

- Manage and operate leisure facilities in accordance with industry standards and guidelines.
- Develop and deliver a diverse range of recreational and creative programmes and activities based on community needs and sustainable income.
- Ensure proper day- to- day maintenance, cleanliness, and safety of the facilities.
- Establish effective communication channels with users, responding to inquiries, feedback, and complaints.
- Establish and implement a robust buildings, plant and machinery reporting process for all premises operated by Live Borders

**Performance Standards: Key Performance Indicators (KPIs):**

- Number of facility users, membership growth, and customer satisfaction ratings.
- Programme and activities attendance and participation rates.
- Financial performance, including revenue generation and cost management.
- Health and safety compliance and incident reporting.

**Reporting:**

- Live Borders shall provide quarterly reports on its financial performance, activities, and progress towards achieving agreed-upon targets.
- An annual review meeting will be held between the Council and Live Borders to assess the overall performance and discuss any necessary adjustments to the SPA.

**Review and Termination:**

- This SPA shall be reviewed annually, with any amendments agreed upon by both parties.
- Either party may terminate this agreement with prior written notice if significant breaches or operational issues arise that cannot be resolved through mutual discussions.

The detailed Service Provision Agreement and supporting Schedules is available as Annex Six and provides more detailed information of service specification, list of facilities, insurance responsibilities and partnership protocol.

## 11 Great Tapestry of Scotland

Early in this review process it was agreed that a review of the Great Tapestry of Scotland would be delivered through an internal working group chaired by an external consultant. At the time of drafting this report this was still work in progress.

## 12 Further Work

Throughout the delivery of this Review a number of additional reviews, reports and strategies were identified to help to support the partners in working towards empowering communities through improved service provision. These include;

- A Property Rationalisation and Disposal Strategy
- A Sports Facilities and Health and Wellbeing Strategy
- A Cultural and Arts Strategy
- A strategic review of museum provision
- A community engagement support plan to enable capacity and capability challenges to be addressed.

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## 13 Summary of Strategic Recommendations

Recommendations	Timescales	Actions
<b>Strategic Property Related Recommendations</b>		
1. All repairs and maintenance responsibilities relating to council owned buildings, currently leased to Live Borders, reverts to Scottish Borders Council. This should be reflected in all future leases, and in the Service Provision Agreement.	On approval of the new leases and Service Provision Agreement but no later than 31 <sup>st</sup> March 2024	SBC to redraft leases
2. Full buildings condition and structural surveys are carried out on all buildings leased to Live Borders.	By the end of 2024/25 Financial year	Independent Building surveyors to be engaged by SBC
3. A full energy audit is carried out on all buildings leased to Live Borders and from this, a programme for investing in more effective and efficient green energy solutions can be developed.	By 31 <sup>st</sup> March 2024	Energy consultants to be engaged by SBC
4. All existing leases should be reviewed in line with the recommendations above, and these should be for a period of 25 years, commencing 1st April 2024.	On approval of the new leases and Service Provision Agreement but no later than 31 <sup>st</sup> March 2024	SBC to redraft leases
5. When the current energy provider contracts expire in March 2024, that the responsibility for all future utilities and energy costs transfers to the Council. It is recognised that this will result in this cost being removed from the annual management fee.	By 31 <sup>st</sup> March 2024	For SBC to consider at Committee/Full Council
6. The future responsibility for all Community Centres reverts to the Council pending further work to support community ownership options.	By 31 <sup>st</sup> March 2024	There will be an issue if buildings revert to council operation of approximately £150,000 of non-domestic rates Possibly Live Borders to retain until communities are consulted on whether they



		have the capacity and ability to assess whether they can become building owners
7. A further detailed options appraisal and associated consultation is undertaken on the future of buildings identified as meeting the following criteria: a. High repair and maintenance cost b. Decreasing user numbers c. Increasing running costs d. Potential to relocate or co-locate services locally (e.g., school estate, consolidation etc.)	By 31 <sup>st</sup> March 2024	Internal analysis of criteria by both SBC and Live Borders.
8. A strategic approach for future shared school/community use of campus-based sports and cultural activities should be continued and expanded by the Council, based on existing successful models.	Ongoing with immediate effect	Staff time by both SBC and Live Borders staff to input into future new build specifications and design briefs
<b>Operational Recommendations</b>		
1. Live Borders create a 10-year Business Plan and a Business Continuity Management Plan.	By 31 <sup>st</sup> March 2024	Either Live Borders internally or use consultants
2. Live Borders create and implement a robust Marketing and Communications Strategy and Implementation Plan to support the Business Plan.	By 31 <sup>st</sup> March 2024	Either Live Borders internally or use consultants
3. That the current booking systems are reviewed and a single booking system is created that is easy to use and links to a revised and updated website and App.	By 31 <sup>st</sup> March 2024	Live Borders
4. That the Council and Live Borders jointly consider whether Elected Members should continue to sit on the Live Borders Board.	By 31 <sup>st</sup> March 2024	Views of Council and Live Borders board to make joint recommendation
5. That a skills audit of Live Borders trustees and Senior Managers is carried out to assess if there are any skill gaps in the Board and Management Team. Where skills gaps are identified, the appropriate recruitment and or training should be undertaken.	By 31 <sup>st</sup> March 2024	Either Live Borders internally or use consultants
6. A process is set up by which staff are actively encouraged to bring forward ideas and innovations, and as a result feel an	By 31 <sup>st</sup> March 2024	Live Borders

increased sense of appreciation, and value for their work. Underpinning this, a staff incentive scheme should be considered.		
7. Live Borders continue to develop and implement a robust staff performance appraisal system in order support staff training opportunities, and effective succession planning.	Ongoing	Live Borders
8. That an independent review of support service operations (payroll, IT, Human Resources etc) be carried out to assess if there are economies of scale for the Council and Live Borders.	By 31 <sup>st</sup> March 2024	Views of Council and Live Borders board to make joint recommendation
9. A new post of Business Development Director is created for Live Borders to focus on commercial revenue growth opportunities and future income generation.	By 31 <sup>st</sup> March 2024	Live Borders
<b>Income Generating Recommendations</b>		
1. The Council transfers to Live Borders the full management fee at the start of each financial year.	By 31 <sup>st</sup> March 2024	SBC
2. The price for sports and leisure activities is reviewed, with a view to increasing income by 10%.	By 31 <sup>st</sup> March 2024	Live Borders
3. The café facilities currently operated in-house at Teviotdale Leisure Centre are considered for a lease arrangement with a third party in return for an annual rental fee.	By 31 <sup>st</sup> March 2024	Live Borders
4. Where space allows, third party services such as sports clinics, physiotherapy and other treatment providers are offered rental agreements to provide income and enhance the breadth of services offered within Live Borders sports, leisure, and community facilities.	By 31 <sup>st</sup> March 2024	Live Borders
5. That Live Borders and the Council consider the introduction of an admission charge for all museums for visitors who do not live in the Scottish Borders Council catchment area.	By 31 <sup>st</sup> March 2024 or at the conclusion of a museum's review	Live Borders in consultation with SBC
6. Live Borders set a target figure for bringing in external grant aid and consider appointing a fund raiser on a commission only basis as part of an overall strategy for accessing grant aid funding.	By 31 <sup>st</sup> March 2024	To be included in new Business Plan

7. Scottish Borders Council works with Live Borders to deliver a proactive programme of social prescribing activities across their facilities. This could be funded through the Scottish Government's Healthier, Happier, Stronger Fund.	By 31 <sup>st</sup> March 2024	Views of Council and Live Borders board to make joint recommendation
8. A full review of the One Club scheme is undertaken, including a review of the quality of facilities, with a view to develop a more appropriate and attractive sports, leisure, and culture package.	By 31 <sup>st</sup> March 2024	Live Borders
9. A Salary Sacrifice Scheme is considered providing employees of key businesses low cost or subsidised access to sports, leisure and cultural services and membership schemes.	By 30 <sup>th</sup> September 2024	Live Borders

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