Review of Culture and Leisure Services in Scotland

Report for Community Leisure UK, Creative Scotland and sportscotland

Final Report | August 2024

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Introduction

Culture, sport and leisure services are at the very heart of communities. They play a vital role in enhancing the quality of life and well-being of individuals, fostering social cohesion, and contributing to the overall development of communities in multifaceted ways.

However, these are challenging times for public services. The combination of many years of austerity measures to reduce the UK budget deficit and the COVID-19 pandemic have had a huge impact on public sector finances. These external shocks compound long standing challenges facing councils with increasing demand for services such as health and social care, and more recent cost increases due to a period of high inflation and fast rising energy and staff costs.

The current report is the fourth in a series of analyses tracking the health of culture, sport and leisure services in Scotland. It combines analysis of financial data provided by the Scottish Government in the Scottish Local Government Finance Statistics (SLGFS) with data from a survey of councils and ALEOs, and interviews with a small sample of stakeholders. The survey received responses from14 council and 20 ALEOs.

Investment in Culture and Sport and Leisure

The report presents a challenging picture of investment in culture, sport and leisure across Scotland. Depending on the data used, local government investment in these services has reduced by at least 20% in real terms between 2010/11 and 2022/23. Over the same period, analysis suggests that net revenue expenditure on culture has fallen by as much as 33% in real terms with sport and leisure reducing by around 25% again in real terms.

While this has impacted all areas of culture, sport and leisure, Libraries have been particularly badly affected along with Countryside Recreation and Community Park and Open Spaces.

In the period since the pandemic, budgets have been somewhat more stable, or at least reducing less sharply, and councils generally stepped in to support ALEOs through the worst of the lockdown periods. Indeed, some ALEOs reported emerging from the pandemic in better financial health due to the support provided and the sharp reduction in operating costs that came with facility closures. However, this is by no means a universal position and depended to a significant degree on how organisations made use of emergency funding support.

While there has been income growth since the reopening of facilities and services post pandemic, this has not reached pre-pandemic levels, reflecting the current cost of living pressures on households. At the same time, operating costs have increased sharply, particularly in relation to energy and staff, exerting further pressure on what are already stretched services.

Managing Pressures

Feedback from the survey of councils and ALEOs suggests that these financial pressures have meant that most have had to make often substantial savings, with councils required to prioritise statutory provision in areas like education and social care.

There is evidence that many councils have been reducing the management fee paid to ALEOs for service delivery, although some have had recent increases, often to reflect additional service responsibilities. There have also been staff reductions in both councils and ALEOs, including loss of posts in arts development and outreach in councils, and senior management and facility managers within ALEOs. Around a third of the ALEOs in the survey have closed facilities, including community halls and centres, as well as indoor and outdoor sports facilities.

Other areas in which savings have been sought include reducing opening hours, reduction or withdrawal of grants to third parties, and changes to pricing policies (particularly amongst the ALEOs). Many ALEOs also reported growth in trading income but not at levels sufficient to fully offset reductions in overall budgets (and management fees).

Future Outlook

There was little sign of optimism as most councils and ALEOs expect further reductions in budgets in the future. Service areas that were identified as likely to reduce include libraries, instrumental music tuition, events and festivals, arts development, outdoor sports facilities, community sports programmes and sport events. Further facility closures are also likely, with two thirds of ALEOs delivering cultural services identifying property rationalisation as part of their future plans.

Unsurprisingly, these pressures were widely considered likely to have a negative impact on communities, reducing the scale and quality of services that councils and ALEOs are able to provide. ALEOs were, however, more likely than councils to report that they were well placed to meet these challenges, often due to the potential for further income growth.

Summary

Overall, this latest analysis paints a very challenging picture for culture, sport and leisure services. Sector leaders spoke of their concerns that the current landscape is no longer sustainable, and that long term funding reductions have now meant that there is little left to do other than withdraw services and close facilities. With the pressures facing local government likely to continue, this need for transformational change is ever more urgent.

In considering future options, it is important to remember how much these services matter. The wellbeing benefits of participation in culture and sport and leisure are now well established, and it was to culture, and sport and leisure that many people turned to during the worst of the pandemic. These services clearly matter to people and to communities and their value considerably outweighs their cost (culture and sport and leisure typically account for only a small proportion of overall council budgets).

It is important that these messages are front and centre, and effectively communicated to politicians at national and local levels.

1 Introduction

1.1 Preamble

Culture and sport and leisure services are at the very heart of communities. They play a vital role in enhancing the quality of life and well-being of individuals, fostering social cohesion, and contributing to the overall development of communities in multifaceted ways.

However, these are challenging times for public services. The combination of many years of austerity measures to reduce the UK budget deficit and the COVID-19 pandemic have had a huge impact on public sector finances. At the time of the previous study in 2016/17, the situation for culture and sport and leisure services in Scotland was already looking difficult. Pressure on local government budgets meant that councils were increasingly focussed on protecting statutory services, such as education and social work, while seeking to make savings where possible in more discretionary areas of spending. This meant reductions in the budgets available in areas, such as culture and sport and leisure services.

Even then, this was raising significant concerns about the potential impact on services, and councils reported that they were considering various approaches to achieving savings, including reducing opening hours, increasing prices and even closing facilities.

In the intervening period, the situation continued to deteriorate, albeit slowly, and councils and ALEOs have managed, by and large, to realise savings through various efficiency measures without recourse to large scale closures or withdrawal of services. That is not to say that buildings have not closed – they have, particularly libraries and community halls, while others have been rationalised alongside other community assets. The cumulative effect of all of this was that culture and sport and leisure services were under enormous pressure even before the pandemic.

When the pandemic struck, services were effectively closed altogether, with a number of implications:

- income generation fell away immediately;
- buildings closed for extended periods of time, which led in some cases to deterioration in the building fabric;
- staff were either furloughed (those that were not employed by councils) or redeployed to assist in the pandemic effort; and
- communities had no access to much needed services at a time of great pressure for the population.

Councils generally stepped in to support the services and/ or their ALEOs, covering budget deficits and underwriting income losses through the pandemic. However, as the dust begins to settle on the pandemic, and emergency financial support tails off, culture and sport and leisure services again find themselves in an increasingly difficult situation, not least as a result of fast rising energy, staff and supply costs. Indeed, Community Leisure UK recently reported that 89% of its members were 'at risk' as a result of these combined pressures.

This report provides an overview of local government culture and sport and leisure services. As such, it updates the previous report from 2016/17 and subsequent work on cultural services undertaken for Creative Scotland in 2019.

The study combines analysis of financial data provided by the Scottish Government in the Scottish Local Government Finance Statistics (SLGFS) with data from a survey of councils and ALEOs, and interviews with a small sample of stakeholders. The survey received responses from 14 councils and 20 ALEOs, providing broad representation across Scotland.

2 Context

2.1 Delivery Models

For the most part, councils either deliver culture and sport and leisure services in-house or through an arm's length external organisation (ALEO). Some authorities may retain some service delivery responsibilities in house (a hybrid model) while others may transfer all to an ALEO.

ALEOs receive payments from their council for the delivery of services (commonly known as a management fee) and may also make use of council services in areas like payroll, finance, HR and IT. Most (but not all) are established as single member trusts in which the council is the sole member.

The current research examines both in-house and external delivery of culture and sport and leisure services. A summary of current delivery models is provided in **Appendix A**.

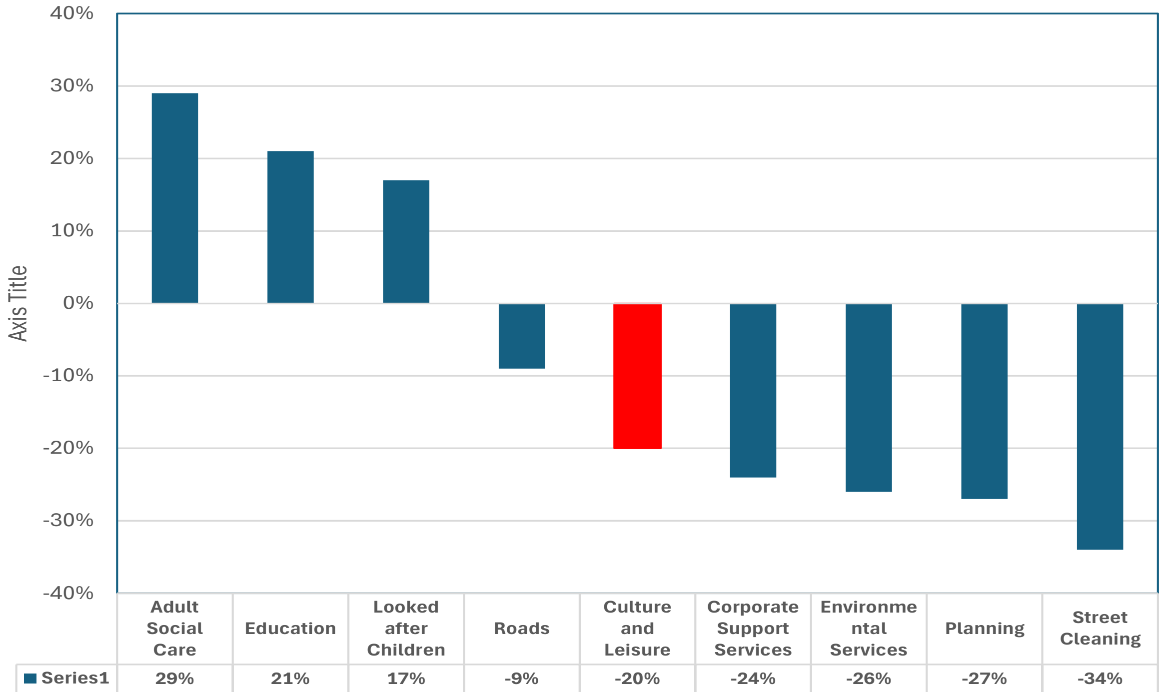
2.2 Long Term Investment Trends

While **Chapter 3** examines more recent changes in local government expenditure on culture and sport and leisure services, here we consider some of the longer-term trends, using data from previous analyses along with published research.

Figure 2.1, over, summarises the real terms change in local government expenditure in key service areas between 2010/11 and 2022/23. It shows very clearly the extent of the financial pressure on non-statutory services across local government in Scotland. Education and social care are both statutory services and typically account for the largest budgets in councils. Both have enjoyed protection through the years of government austerity resulting in large real terms increases in their budget. In contrast, non-statutory services, including culture and sport and leisure, have experienced often large real terms reductions. For culture and sport and leisure services this amounts to a reduction over the period of 20%.

This should of course be seen in the context of real terms decreases in local authority budgets as a whole, meaning that local authorities are faced with difficult decisions on budgets and choices that they may not wish to make.

Figure 2.1: % change in Council Expenditure (real terms) between 2010/11 and 2022/23



Source: Local Government Benchmarking Framework Overview Report 2022/23

Audit Scotland in a recent review of Local Government in Scotland[1] highlighted the challenges facing councils as follows:

- **Financial:** budget reductions and cost increases (and ringfencing of budgets for national priorities accounting for 23% of council budgets);
- **Local need:** growing demand for services due to an ageing population, the impacts of the pandemic and the acute pressures in cost of living;
- **National Policies:** requirements to deliver on national reform programmes e.g. national care service;
- **Workforce:** challenges with recruitment and retention of staff and meeting the costs of pay awards; and
- **Leadership:** issues with variable quality of council leadership along with high turnover.

Culture and Sport and leisure Services

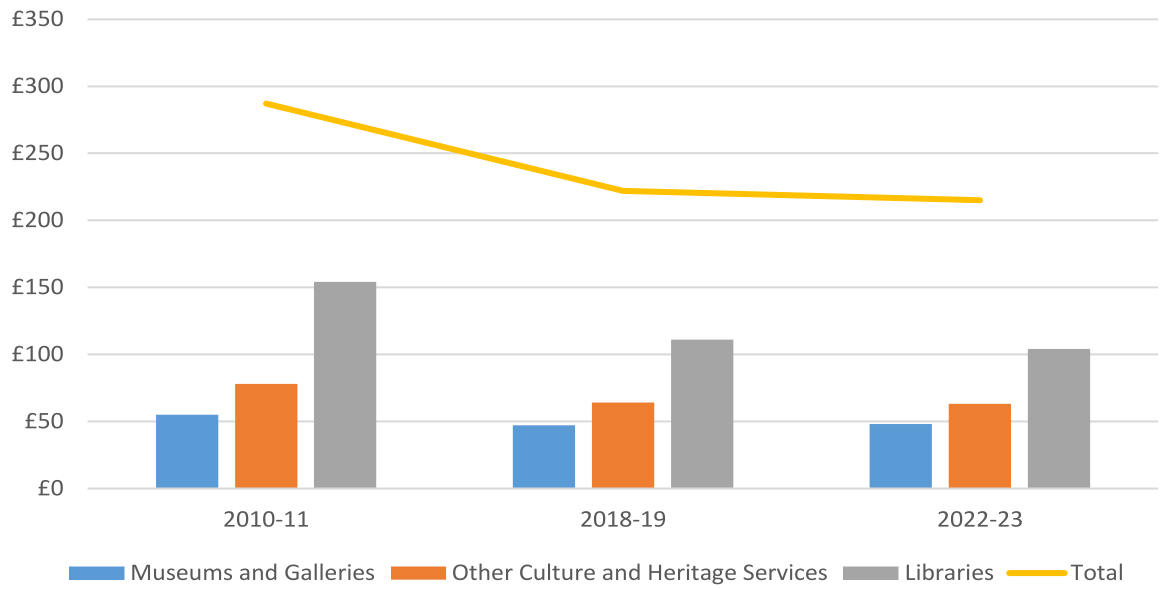
Using data from the Scottish Government Local Finance Returns (LFR), as used in previous reports for VOCAL, we can provide a more detailed breakdown of real terms budget changes over the period 2010/11 to 2022/23. It should be noted that the LFR data in particular are subject to revision, and the data used in previous studies (and again here) will likely have been revised since.

[1] *Local Government in Scotland: Overview 2023*, Audit Scotland 2023

As a result, some caution is required in interpreting these analyses, and they are perhaps better considered an indication of general trends than a precise analysis of budgetary change.

Figure 2.2 assesses culture services and shows that while the change in nominal terms was a reduction in overall budget of 2%, in real terms this was closer to 33% (all converted to 2022/23 prices using the ONS GDP deflator[2]). Libraries have been particularly badly hit, but all areas of culture have been affected.

Figure 2.2: Change in Council Net Revenue Expenditure between 2010/11 and 2022/23 (all in 2022/23 prices - £ millions)

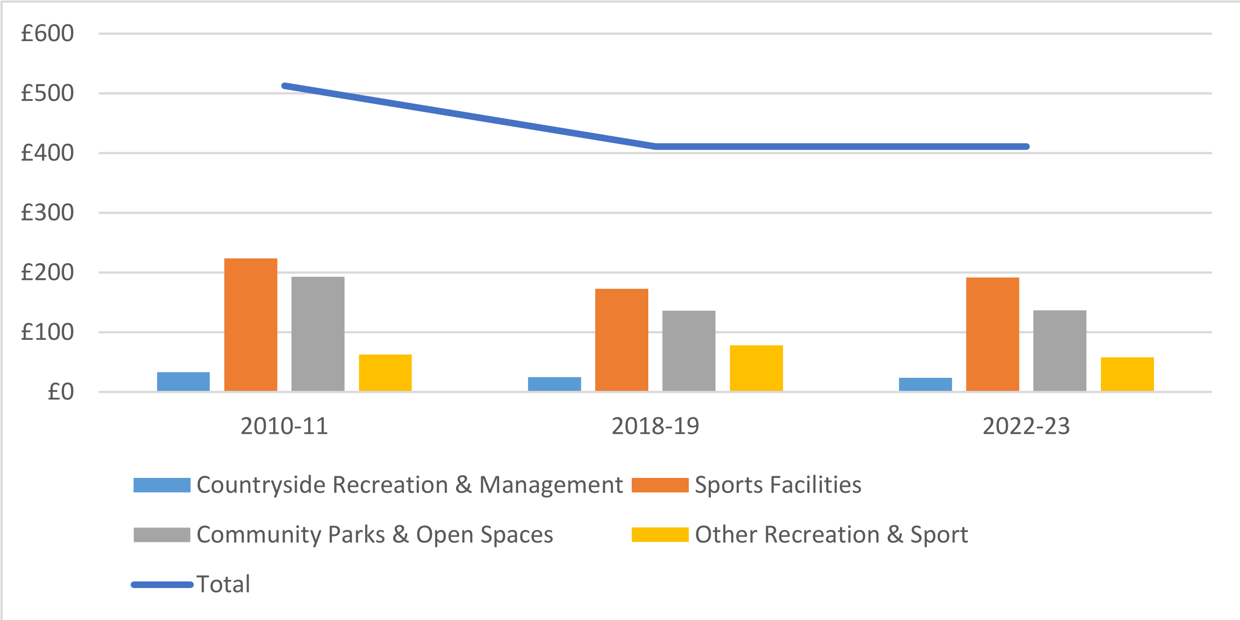


Source: LFR and VOCAL (2014)

Figure 2.3 provides a similar analysis for sport and leisure services, and confirms a similar trend, with a nominal terms increase in expenditure of 4%, contrasted with a 25% reduction in real terms. Again, all areas of sport and leisure services have been affected but budgets for Countryside Recreation and Community Parks and Open Spaces have been particularly badly hit.

[2] See here for further details: [GDP Deflator: Year on Year growth: SA % - Office for National Statistics (ons.gov.uk)]

Figure 2.3: Change in Council Net Revenue Expenditure between 2010/11 and 2022/23 (all in 2022/23 prices) - £ millions



Source: LFR and VOCAL (2014)

Both analyses show that the sharpest reductions in budget came between 2010/11 and 2018/19, with drops between 2018/19 and 2022/23 being more modest. It should be noted, however, that this includes the pandemic period, during which there were significant adjustments in council expenditure, including in culture and sport and leisure services.

Audit Scotland's recent overview report on Local Government in Scotland noted:

(Culture and Sport and leisure) Services were severely affected by the pandemic and future risks are significant. The impact on these services was severe in 2020/21and 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.*

Indeed, data from the latest Scottish Local Government Benchmarking Report[3] suggest that despite considerable work on the part of the sector both during and after the pandemic, the impact on service efficiency and impact is starting to show. **Table 2.2** shows the change in a number of benchmarking measures between the pre-Covid period and the most recent data (2022/23).

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[3] *Local Government Benchmarking Framework: National Benchmarking Overview Report 2022/23*, Improvement Service, 2023

Table 2.2: Local Government Benchmarking Framework 2022/23 (Improvement Service)

Indicator (LGBF)	% change pre-Covid to 2022/23
Cost per attendance at sports facilities	59.9%
Cost per library visit	26.5%
Cost of museums per visit	-15.9%
Cost of parks & open spaces per 1,000 population	3.9%
% of adults satisfied with libraries	-9
% of adults satisfied with parks and open spaces	0
% of adults satisfied with museums and galleries	-5
% of adults satisfied with leisure facilities	-4

Source: Local Government Benchmarking Report, Improvement Service 2024

As shown, the cost (to local authorities) per visit to sports facility and libraries has increased significantly although museums have reduced[4]. Measures of satisfaction have also fallen in some areas including libraries, museums and sports facilities. While these may be considered limited as measures of performance, these changes are nonetheless indicative of the impacts of long-term pressure on budgets.

[4] It is perhaps also worth noting that cost to participants in sports is also increasing: https://sportscotland.org.uk/media/y3oafmlv/facilities-charges-review-2023-24-full-report.docx

3 Culture and Sport and Leisure Services Investment

3.1 Introduction

The following section provides an analysis of Scottish local authority finance statistics for the last 5-year period (2018/19 to 2022/23). The data is based on Scottish Local Government Finance Statistics (SLGFS), which is the most complete, publicly available and reliable source of finance date available.

The SLGFS provides financial data on Culture and related services, and Sport and leisure services. These can be defined as follows:

- Cultural Services
  - Museums and Galleries
  - Other Culture and Heritage (including, *inter alia*, arts facilities and venues, arts development and cultural programmes and events)
  - Library Services
- Sports Services
  - Countryside Recreation and Management
  - Sports Facilities
  - Community Parks and Open Spaces
  - Other Recreation and Sport (including, *inter alia,* community sports programmes and events).

It is worth noting some complexities with the SLGFS data as follows:

- Culture, sport and leisure services may receive investment from other sources, including funding that is managed through and allocated by local authorities e.g. Shared Prosperity Fund. This is captured in the data as income.
- For councils that deliver some or all of the services through ALEOs, the management fee is typically recorded as a payment, but this may also include other payments such as Covid emergency support or equal pay settlement funding. It is therefore difficult to isolate the specific management fee amounts year on year within the data.

- The data do not include the income generated by ALEOs through service delivery (i.e. trading income) because this does not usually return to the councils. Instead, councils will typically 'net off' ALEO income from the management fee payment.

For these reasons, a detailed analysis of income is problematic and we have instead focussed here on **net** expenditure such that income is accounted for but not identified. We have converted the data for previous years into 2022/23 prices using the ONS GDP deflator to allow a like-for-like comparison.

3.2 Overview – All service areas

Table 3.1 below presents overall spending in real terms, broken down by service area for the years 2018/19 to 2022/23.

Table 3.1: Local Authority Net Revenue Expenditure (£ Millions)

Service Area	2018/19	2019/20	2020/21	2021/22	2022/23	% change 18/19 to 22/23
Education Services	£5,663	£5,654	£5,860	£6,052	£6,472	+14%
Social Work Services	£3,633	£3,668	£3,755	£3,937	£4,291	+18%
Environmental Services	£759	£726	£770	£742	£754	-1%
Culture and Related Services	£644	£587	£618	£611	£651	+1%
Roads, Road Bridges and Transport	£456	£405	£485	£417	£437	-4%
Central Services	£422	£831	£410	£405	£341	-19%
Housing Services (Non-HRA)	£353	£274	£289	£301	£322	-9%
Building, Planning & Development	£231	£202	£232	£258	£246	+7%

Source: Scottish Local Government Finance Statistics (2021 - 2024)
Note: All figures are presented in 2023 prices (Real terms)

The highest proportional increase in net revenue expenditure was in Social Work, with a 18% (real terms) increase over the 5-year period. Education had the highest monetary increase, with an additional £809 million in expenditure allocated (real terms) for 2022/23 versus 2018/19 – circa £1.4bn in nominal terms. Education has the highest total spend of these categories, approaching £6.5bn in 2022/23.

Central Services and Housing Services have seen particularly large decreases in spending, with 19% and 9% reductions respectively over the 5-year period.

Table 3.2: Percentage (%) change in spending from previous year

Service Area	2019-20	2020-21	2021-22	2022-23
Education Services	0%	+4%	+3%	+7%
Culture and Related Services	-9%	+5%	-1%	+7%
Social Work Services	+1%	+2%	+5%	+9%
Roads, Road Bridges and Transport	-11%	+20%	-14%	+5%
Environmental Services	-4%	+6%	-4%	+2%
Building, Planning & Development	-13%	+15%	+11%	-5%
Central Services	+97%	-51%	-1%	-16%
Housing Services (Non-HRA)	-22%	+5%	+4%	+7%

Source: Scottish Local Government Finance Statistics (2021- 2024)

Central Services has had some of the largest annual swings in funding, with an increase of 97% in 2019/20, followed by a fall of 51% the following year, although his may reflect complexities due to the COVID-19 pandemic.

Education and Social Work have both had steady increases in each of the five years. They are also the only categories of spend that have received a positive real terms increase in each of the five years, reflecting their statutory status.

3.3 Culture Services

3.3.1 Revenue Expenditure

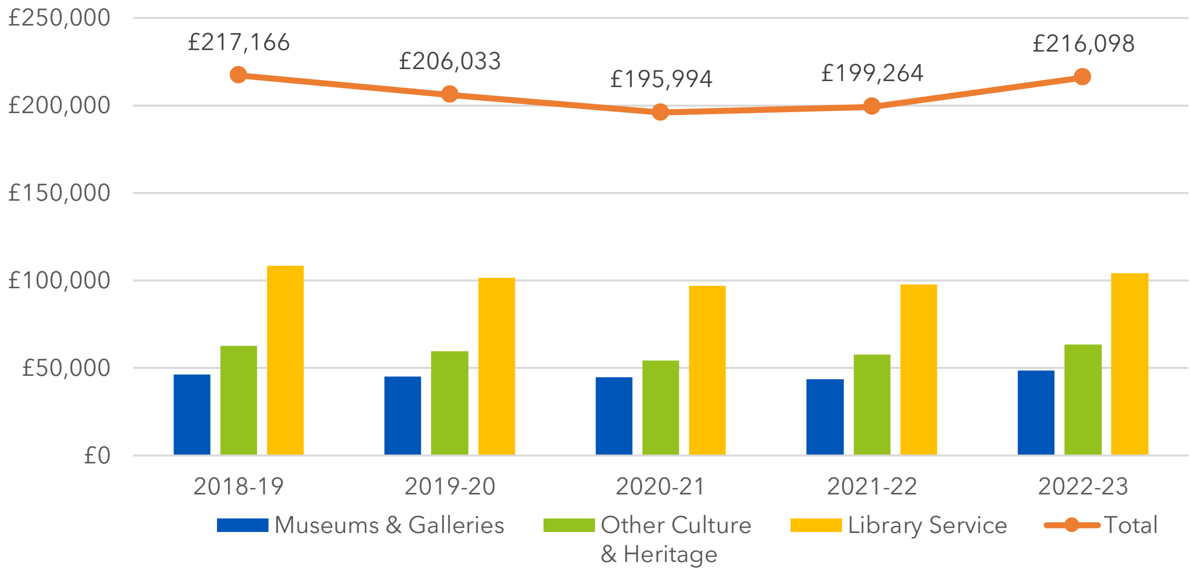
The graph below (**Figure 3.1**) shows total net revenue expenditure by local authority on cultural services in Scotland, split by the three subcategories of cultural services: Museums & Galleries; Other Culture & Heritage; and Library Services. The data has again been uprated to 2023 prices using the ONS GDP deflator to ensure a like-for-like comparison.

It shows that:

- Total Net Revenue Expenditure on Cultural Services has decreased over the period 2018/19 to 2022/23 by circa 0.5%.
- Expenditure in 2020/21 was the lowest, likely attributable to COVID-19, with rises in the two subsequent years.
- Expenditure on Library services was broadly decreasing throughout the period, with a slight increase noted in 2022/23.

- Museums and galleries have witnessed very similar levels of expenditure over the period, with a small increase in 2022/23 meaning minimal change between 2018/19 and 2022/23.

Figure 3.1: Net Revenue Expenditure – Cultural Services (£000s) (Real Terms)



Source: Scottish Local Government Finance Statistics (2021- 2024)

Table 3.3 below sets out the total net revenue expenditure for each of the 5-years between 2018/19 and 2022/23 broken down by the three sub-categories of cultural services.

Table 3.3: Net Revenue Expenditure – Culture and Heritage (£000s) (Real terms)

Area	2018/19	2019/20	2020/21	2021/22	2022/23	% Change
Museums & Galleries	£46,135	£45,103	£44,829	£43,539	£48,416	+5%
Other Culture & Heritage	£62,553	£59,508	£54,325	£57,823	£63,329	+1%
Library Service	£108,478	£101,423	£96,840	£97,902	£104,353	-4%
Total	**£217,166**	**£206,033**	**£195,994**	**£199,264**	**£216,098**	**-0.5%**

Source: Scottish Local Government Finance Statistics (2021- 2024)

Key points to note from **Figure 3.1** and **Table 3.3** include:

- Net revenue Expenditure on cultural services has fallen in real terms from 2018/19 to 2022/23.
- Although Library services had the highest expenditure, it has seen the biggest squeeze (and the only real terms fall) in funding since 2018/19, with a reduction of 4%, in

comparison to a 5% rise for Museums and Galleries and a 1% rise for Other Culture and Heritage over the same period.

3.3.2 Capital Expenditure

Table 3.4 below presents the capital expenditure by Scottish local authorities on cultural services over the period of 2018/19 to 2022/23, which is broken down by the three sub-categories of cultural service spend. These have been adjusted into real prices using the ONS GDP deflator. Capital expenditure is, by its very nature, variable over time, depending on need and opportunity.

Table 3.4: Capital Expenditure on Cultural Services (2018/19 – 2022/23) – £000s

Area	2018/19	2019/20	2020/21	2021/22	2022/23	£ difference 2018/19 to 2022/23
Museum and Art Galleries	£21,054	£130,612	£34,979	£34,401	£35,596	£14,542
Other Culture and Heritage	£8,540	£7,909	£5,701	£16,690	£25,441	£16,901
Libraries	£5,895	£8,030	£4,077	£5,858	£9,730	£3,835
Total	**£35,489**	**£146,550**	**£44,756**	**£56,949**	**£70,767**	**£35,278**

Source: Scottish Local Government Finance Statistics (2021- 2024)

Key points to note include:

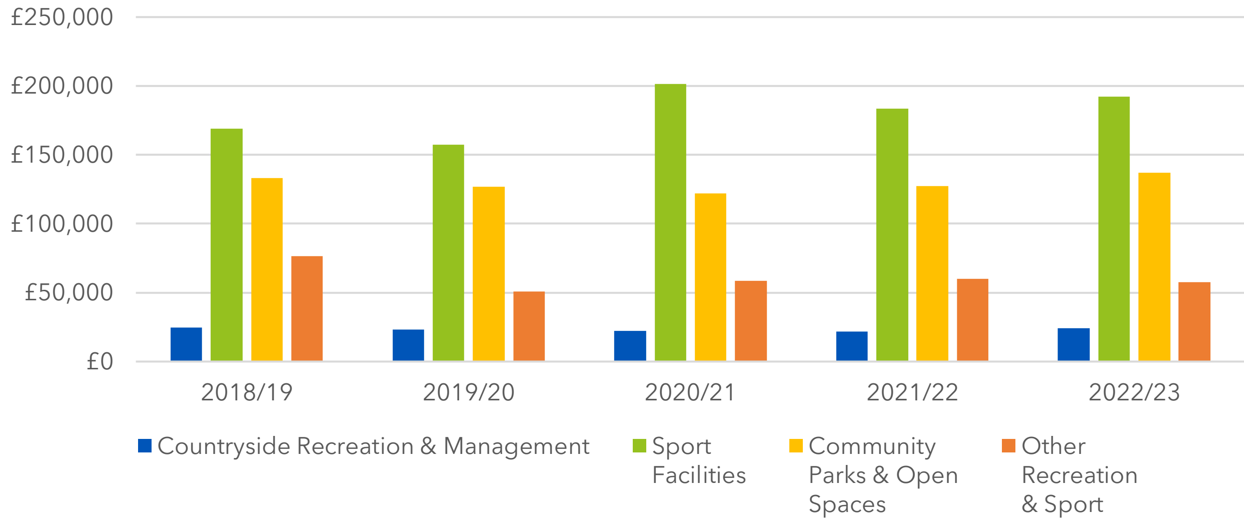
- Each of the three categories had higher capital expenditure (capex) in 2022/23 than they did in 2018/19, growing from £35,489,000 to £70,767,000 (peak capex was in 2019/20 at £146,550,000
- There was a very large increase in capex in 2019/20 on Museums and Art galleries, growing from £21,054 in 2018/19 to £130,612 in 2019/20.

3.4 Sport and Leisure Services

3.4.1 Revenue Expenditure

Figure 3.2 and **Table 3.5** provide data on the real terms change in net revenue expenditure for sport and leisure services between 2018/19 and 2022/23.

Figure 3.2: Net Revenue Expenditure for Recreation and Sports Services (£000s)



Source: Scottish Local Government Finance Statistics (2021- 2024)
Notes: All figures are presented in 2023 prices to ensure a like-for-like comparison.

Table 3.5: Net Revenue Expenditure for Recreation and Sports Services (£000s)

Area	2018/19	2019/20	2020/21	2021/22	2022/23	% change 2018/19 to 202/23
Countryside Recreation & Management	£24,507	£23,060	£22,093	£21,559	£24,388	-0.5%
Sport Facilities	£169,100	£157,589	£201,411	£183,506	£192,100	+14%
Community Parks & Open Spaces	£133,117	£126,682	£122,072	£127,445	£137,157	+3%
Other Recreation & Sport	£76,557	£50,669	£58,364	£60,126	£57,724	-25%
Total	**£403,282**	**£358,000**	**£403,940**	**£392,636**	**£411,369**	**+2%**

Source: Scottish Local Government Finance Statistics (2021- 2024)

As shown, there has been a modest increase of 2% across recreation and sport services, but a real terms reduction in spending on both countryside recreation and management, and in other recreation and sport.

While spending on all four categories dipped during the pandemic years they have broadly recovered, with the exception of 'Other recreation and sport'.

3.4.2 Capital Expenditure

Table 3.6 below presents the capital expenditure spent by the 32 Scottish local authorities on recreation and sport over the period of 2018/19 and 2022/23.

Table 3.6: Capital Expenditure on Cultural Services (2018/19 – 2022/23) - £000s

Area/year	2018/19	2019/2020	2020/2021	2021/22	2022/23	£ difference 2018/19 and 2022/23
Recreation and Sport*	£137,825	£489,112	£74,972	£151,034	£139,064	**+£1,239**

Source: Scottish Local Government Finance Statistics (2021- 2024)
Note: *Data on capital expenditure is not split down into the sub-categories of Countryside Recreation & Management, Sport Facilities, Community parks & Open Spaces and Other Recreation & Sport, as is done for Net Revenue Expenditure

3.5 Summary

Between 2018/19 and 2022/23, expenditure on culture and sport and leisure services across Scottish local authorities has decreased. While the overall changes in total expenditure were relatively modest, this masks wider variation across services and between authorities.

Comparing the data here to the longer-term trends presented in **Chapter 2**, it is clear that the largest reductions in culture and sport and leisure budgets pre date 2018/19, but that the more recent years have continued a broadly downward trend, with just a few areas in which spending has increased, but only to a modest degree. Certainly, the main message is that over the last decade or more, budgets for culture and sport and leisure services have consistently reduced.

4 Sector Perspective

4.1 Introduction

This section summarises the findings of the survey of local authorities and ALEOs. Responses were received from 14 councils and 20 ALEOs, providing broad representation across Scotland. The findings are considered against three main themes, namely:

- Budgets.
- making savings.
- future outlook.

This section reports the combined results for councils and ALEOs, providing a sector-wide perspective. It does, however, note where responses differed between the two organisation types. More detailed data tables are presented in the Appendix, where results are shown for councils and ALEOs separately.

4.2 Council and ALEO Budgets

While the downward pressure on budgets is largely confirmed in the sector survey results, a somewhat more nuanced picture does emerge. 60% of councils and 40% of ALEOs reported a reduction in culture and sport and leisure budgets compared to the pre-pandemic period. 60% of the ALEOs reported an increase in budget although this was often due to increased responsibilities, and 30% of the councils also reported growth in expenditure. Thus, while the overall picture is one of reducing budgets this is unevenly distributed across the sector.

It is also the case that some ALEOs were able to make quite extensive use of UK Government Covid emergency support (in particular the Coronavirus Job Retention Scheme[5]) while also substantially reducing operating costs due to facility closures. Some were also able to generate income through the use of their facilities for Covid response activities such as vaccination. The result, for a small number of ALEOs, was that the pandemic actually allowed them to grow their reserves, emerging in a stronger financial position. Most also reported good support from their partner councils through the pandemic, ensuring their sustainability, at least in the short term.

[5] Councils generally did not furlough staff unless they were in posts that were largely or entirely revenue generating. More often staff were retained to support the emergency response effort.

Looking in more detail at how different areas of expenditure have been affected, both ALEOs and councils reported reductions in management fees paid to ALEOs for both culture and sport and leisure services, community sports and arts development activities and direct provision of facilities and venues in culture. Many also reported reduced income in culture, although there is also evidence of some income growth in sport and leisure. Indeed, decreases in expenditure were somewhat less likely to be reported for sport and leisure than for culture. Interviews with sector leaders confirmed that while income has grown again following the pandemic, it has mostly not yet returned to pre-pandemic levels.

Table 4.1: Budget changes since the pre-pandemic years (2013-2019 and 2022/23) for Culture Services

	Increased	Decreased	No Change
Capital expenditure (N=14)	14%	14%	71%
Community arts development activities (N=16)	19%	25%	56%
Direct provision (venues and facilities) (N=20)	30%	45%	25%
Earned income (N=8)	25%	45%	38%
Events and festivals (N=17)	35%	29%	35%
Grants to third parties (professional) (N=15)	20%	20%	60%
Grants to third parties (voluntary) (N=19)	32%	32%	37%
Management fee (N=5)	21%	53%	26%
Museums/heritage activities (N=16)	31%	31%	38%
Other (N=2)	50%	0%	50%

Table 4.2: Budget changes since the pre-pandemic years (2013-2019 and 2022/23) for Sport and Leisure Services

	Increased	Decreased	No Change
Management fee (n=26)	38%	58%	4%
Direct provision (facilities) (n=25)	52%	24%	24%
Grants to third parties (professional) (n=17)	6%	0%	94%
Grants to third parties (voluntary) (n=17)	6%	12%	82%
Community sports development activities (n=22)	50%	27%	23%
Sporting events (n=21)	29%	24%	48%
Capital expenditure (n=22)	27%	27%	45%
Earned income (n=15)	67%	33%	0%
Other (n=2)	0%	50%	50%

Note: Earned income was only asked to ALEOs.

4.3 Making Savings

85% of councils and 50% of the ALEOs surveyed reported that they had been required to make savings in culture and sport and leisure budgets since the pre-pandemic period. These savings have largely been addressed by reducing staff costs either through natural wastage or more efficient workforce planning. Very few have (yet) had to make compulsory redundancies.

Around one third of councils and ALEOs have closed facilities altogether and many have also reduced opening hours, although this is more evident in culture than in sport and leisure (likely libraries). Pricing has been used (as a means of generating more income) more extensively in sport and leisure than in culture and it is perhaps worth noting that 25% reported that they had stopped some sport and leisure services altogether since pre-pandemic years.

Table 4.3: Types of savings made since pre-pandemic years (2013-2019)

	Culture (n=21)	Sport & Leisure (n=28)
Reduced staff costs through operational efficiencies (e.g. workforce scheduling)	67%	61%
Reduced staff costs through natural wastage	67%	57%
Reduced the scale of some services while retaining others	52%	43%
Reduced opening hours in some facilities	52%	43%
Changed pricing/charging policies	38%	54%
Reduced back office costs or jointly delivering back office services with other organisations	43%	36%
Reduced staff costs through voluntary redundancies	38%	32%
Closed some facilities altogether	33%	36%
Property rationalisation	38%	25%
Reduced the scale (scope, reach, frequency, etc) of services across the board	24%	21%
Removed some services altogether	19%	25%
Alternative delivery mechanisms	19%	21%
Reduced staff costs through pay freezes/cuts	14%	18%
Reduced staff costs through compulsory redundancies	14%	11%
Outsourced some services (or elements of services)	10%	4%
Other	10%	11%

Other included: reduction in management fee and grants to ALEO and joint ventures.

4.3.1 Facilities

As shown in **Table 4.4**, the type of facility most likely to have been closed is community halls, followed by libraries and indoor sports facilities. As yet, other cultural venues appear to have been less affected.

Table 4.4: Facility closures

	No. of Councils/ ALEOs	Total number*
Libraries	3	7
Community halls	6	25
Sports facilities (outdoor)	2	3*
Cultural venues	1	1
Museums/galleries	2	1*
Heritage sites	0	0
Sports centres (indoor)	2	4
Swimming pools	1	*

* denotes where some or all respondents did not specify the total number of facilities.

4.3.2 Staffing

Budget reductions have meant staff reductions in both councils and ALEOs. Looking across the sector as a whole, posts have reduced in senior management, operational staff and facility managers in both culture and sport and leisure. Education and outreach, sports development and, to a slightly lesser extent, arts development have also been affected. Interestingly, the area in which respondents were most likely to report an increase in posts was in business development activities, likely reflecting the drive towards income generation as a means of addressing budget pressures.

Table 4.5: In which areas of culture services have there been increases or decreases in staffing levels over the last three years (e.g. arts development)?

	No. of posts has reduced	No. of posts has stayed the same	No. of posts has increased
Senior management (n=19)	63%	26%	11%
Operational staff (n=19)	63%	26%	11%
Facility managers (n=18)	56%	44%	0%
Front of house (facilities) (n=18)	50%	39%	11%
Support staff (e.g. admin, finance etc.) (n=19)	47%	47%	5%
Education and outreach staff (n=12)	42%	50%	8%
Arts development (n=18)	39%	44%	17%
Business development staff (including marketing) (n=17)	35%	41%	24%
Museum curators/Collections management roles (n=17)	29%	65%	6%
Other specialists (n=9)	22%	67%	11%
Other (n=2)	50%	50%	0%

Other included: libraries. Don't knows removed.

Table 4.6: In which areas of sport and leisure services have there been increases or decreases in staffing levels over the last three years (e.g. sports development)?

	No. of posts has reduced	No. of posts has stayed the same	No. of posts has increased
Senior management (n=28)	50%	50%	0%
Business development staff (including marketing) (N=24)	29%	46%	25%
Support staff (e.g. admin, finance etc.) (N=25)	40%	48%	12%
Operational staff (N=25)	72%	20%	8%
Facility managers (N=25)	36%	56%	8%
Front of house (facilities) (N=24)	42%	58%	0%
Sports development (N=23)	43%	43%	13%
Education and outreach staff (N=13)	54%	38%	8%
Specialists (e.g. coaches/trainers) (N=21)	48%	43%	10%

Don't knows removed.

4.3.3 Impacts of Savings

Councils and ALEOs were asked about the impacts of savings and reductions in staff and facilities. Councils and ALEOs alike were more likely to identify negative (or no) impacts than positive impacts resulting from measures taken to manage budget changes. In both culture, and in sport and leisure, the areas in which budget savings were most likely to have had a negative impact (all reported by more than a third of respondents) were:

- Ability to deliver on local priorities and targets.
- Ability to target/ engage those most in need (e.g. in deprived areas).
- Quality/ range of services available.
- Reputation in the community.
- Intensity or frequency of services.

This paints a picture of budget reductions having impacted negatively on services and in particular on targeted services, which is consistent with the Local Government Benchmarking data reported in **Section 2**.

The only areas in which respondents were likely to identify positive impacts were on cost of delivering services and service efficiency, although some did note benefits in terms of partnership working.

Table 4.7: What has been the impact of these changes in budgets/staffing/facilities for culture services in your area?

	A positive impact	No impact	A negative impact	Don't know
Ability to deliver on local priorities and targets	33%	14%	43%	10%
Ability to target/engage those most in need (e.g. deprived areas)	29%	19%	43%	10%
Reputation in the community	14%	32%	36%	18%
Intensity or frequency of services	5%	35%	35%	25%
Quantity/range of services available	19%	33%	33%	14%
Cost of delivering services	43%	10%	29%	19%
Satisfaction of users	14%	36%	27%	23%
Quality of services provided	24%	38%	24%	14%
Partnership working	29%	29%	24%	19%
Local economic impact	18%	32%	23%	27%
Service efficiency	39%	22%	17%	22%

Base numbers ranged from 20 to 23.

Table 4.8: What has been the impact of these changes in budgets/staffing/facilities for sport and leisure services in your area?

	A positive impact	No impact	A negative impact	Don't know
Ability to target/engage those most in need (e.g. deprived areas)	25%	29%	39%	7%
Ability to deliver on local priorities and targets	26%	30%	37%	7%
Quantity/range of services available	11%	48%	37%	4%
Intensity or frequency of services	7%	44%	37%	11%
Reputation in the community	14%	36%	36%	14%
Quality of services provided	30%	37%	26%	7%
Satisfaction of users	19%	33%	26%	22%
Cost of delivering services	58%	4%	23%	15%
Local economic impact	15%	33%	19%	33%
Partnership working	41%	37%	15%	7%
Service efficiency	61%	21%	11%	7%

Base numbers ranged from 26 to 28.

4.4 Future Outlook

The majority of councils (c. 80%) and ALEOs (c. 75%) expect to have to make further savings in future, and most expect that these will be of a greater than average scale due to the significant budget constraints and financial challenges facing local government and the non-statutory nature of culture and sport and leisure services.

Whan asked how they expect to achieve future savings, the key areas relate to pricing policies and property rationalisation, suggesting that more facilities may be at risk. However, when asked to identify the potential impact on specific areas of the services, ALEOs were more likely to identify a risk that cultural facilities may close, particularly libraries, cultural venues and community halls (although numbers here are small). None of the councils surveyed reported that cultural facilities could close.

Looking at sport and leisure, this position is largely reversed with councils more likely to identify a risk of closure for sports facilities than ALEOs although the numbers for both are again small.

For cultural services, councils expected reductions in libraries, arts development, community facilities and instrumental music services, while ALEOs identified events and festivals, arts development, heritage, cultural venues and libraries as the areas most likely to reduce in scale.

Libraries and cultural venues are also the services most likely to have reduced opening hours although this applies only to a small number of areas.

Table 4.9: How do you expect specific areas of cultural activity within the authority to be affected over the next three years?

	Reduced in scale	Reduced opening hours	Closed facilities	Stopped altogether	Increase	No change	Don't know
Libraries (n=22)	36%	14%	5%	0%	0%	14%	32%
Museums and galleries (n=21)	19%	5%	0%	0%	19%	29%	29%
Cultural venues (n=22)	27%	5%	5%	0%	18%	18%	27%
Arts development (n=20)	40%	0%	0%	0%	10%	20%	30%
Cultural events and festivals (n=18)	39%	0%	0%	0%	17%	17%	28%
Heritage (n=18)	22%	0%	0%	0%	22%	28%	28%
Community facilities (n=19)	32%	0%	11%	0%	11%	21%	26%
Instrumental music service (n=16)	19%	0%	0%	0%	6%	25%	50%
Grants to voluntary organisations (n=17)	29%	0%	0%	6%	0%	35%	29%

Table 4.10: How do you expect specific areas of sport and leisure activity within the authority to be affected over the next three years?

	Reduced in scale	Reduced opening hours	Closed facilities	Stopped altogether	Increase	No change	Don't know
Sports facilities (indoor) (N=29)	17%	10%	3%	0%	14%	34%	21%
Sports facilities (outdoor) (N=27)	30%	4%	4%	0%	4%	41%	19%
Pitches (N=27)	26%	0%	4%	0%	11%	41%	19%
Sports development (N=26)	23%	0%	0%	0%	19%	38%	19%
Sporting events (N=27)	30%	0%	0%	0%	15%	33%	22%
Community programmes (N=26)	27%	0%	0%	0%	23%	31%	19%
Active Schools (N=26)	15%	0%	0%	4%	8%	46%	27%
Grants to voluntary organisations (N=25)	32%	0%	0%	0%	0%	36%	32%

Again these changes were reported as being likely to impact negatively on the range and quality of services and on the ability to meet community needs and priorities as well as targeting those in greatest need. Interestingly, the results were more negative for sport and leisure than for culture.

Table 4.11: Impact of any changes in budgets/staffing levels for the planning and management of culture services (or from having a standstill resource)

	A positive impact	No impact	A negative impact	Don't know
Ability to deliver on local priorities and targets	10%	14%	48%	29%
Quality of services provided	14%	14%	43%	29%
Intensity or frequency of services	14%	14%	43%	29%
Ability to target/engage those most in need (e.g. deprived areas)	14%	19%	38%	29%
Quantity/range of services available	19%	14%	33%	33%
Local economic impact	19%	19%	33%	29%
Reputation in the community	15%	20%	30%	35%
Satisfaction of users	10%	20%	30%	40%
Cost of delivering services	38%	5%	29%	29%
Partnership working	38%	14%	24%	24%
Service efficiency	33%	14%	19%	33%

Base numbers ranged from 20 to 21.

Table 4.12: Impact of any changes in budgets/staffing levels for the planning and management of sport and leisure services (or from having a standstill resource)

	A positive impact	No impact	A negative impact	Don't know
Quantity/range of services available	11%	18%	64%	7%
Ability to deliver on local priorities and targets	18%	14%	57%	11%
Quality of services provided	11%	25%	57%	7%
Ability to target/engage those most in need (e.g. deprived areas)	14%	18%	54%	14%
Reputation in the community	7%	29%	50%	14%
Intensity or frequency of services	4%	29%	46%	21%
Local economic impact	4%	32%	46%	18%
Satisfaction of users	7%	29%	46%	18%
Cost of delivering services	44%	4%	40%	12%
Partnership working	32%	18%	32%	18%
Service efficiency	37%	26%	26%	11%

Base numbers ranged from 20 to 21.

When asked to rate the importance of criteria in influencing decisions about how and where to achieve any budget savings, all respondents across culture and leisure services considered the scale of potential cost savings (100%) and political priorities (95/96%) to be very important or important, **Table 4.13**. Income generation is reported to be a more important criterion in sport and leisure than culture, with the potential impacts of any savings measures on the wellbeing of users and communities is a key factor in both service areas.

Table 4.13: Percentage of respondents who rated that the following criteria will be 'very important' or 'important' in influencing decisions about how and where to achieve any required budget savings for culture and leisure services

	Culture	Sport & leisure
Possible impact on the wellbeing of users and communities	90%	96%
Scale of potential cost savings	100%	100%
Income generation potential	76%	92%
Political priorities	95%	96%
Statutory duties	90%	84%
Influence of partners	76%	70%
Availability of alternatives	80%	84%
National policy guidance	81%	83%
Senior management procedures	63%	65%
Relationships with Trade Unions	76%	67%

Culture base numbers ranged from 19 to 21. Sport and leisure base numbers ranged from 19 to 27.

Future Challenges

The most commonly identified future challenge for local authorities related to having reduced resources to support culture and sport and leisure, was revenue challenges (culture: 100% of respondents; leisure: 90%) and capital resources (culture 73%; leisure 90%), **Table 4.14**. Other main challenges for culture included competing internal priorities (82%) and limited statutory responsibility (82%).

For leisure, the ratings were more mixed – one-third of respondents rated reduced revenue financial resources for sport and leisure as the top challenge (67% rated within top three challenges).

Table 4.14: Which of the following challenges, do you think you may face as an authority in the delivery of culture and leisure services in future?

	Culture (n=23)	Leisure (n=29)
Reduced revenue financial resources	96%	86%
Reduced capital resources	74%	79%
Reduced staff resources	74%	62%
Reduced partner resources	65%	62%
Limited statutory response	61%	66%
Competing priorities – internal	65%	52%
Limited capacity to response to changing circumstances	52%	62%
Lack of skills and expertise	57%	48%
Reduced income from services	52%	52%
Competing priorities among partner organisations	43%	55%
Limited political support for culture/leisure at a local level	35%	41%
Other	9%	7%

Question allowed for multi-choice options to be selected. 'Other' includes: having very few culture services delivered by the ALEO, and recruitment and retention of staff.

Feedback was mixed when respondents were asked to rate the ability of their organisation to meet these future challenges, and there were marked differences here between the councils and ALEOs. In particular, while only 33% of councils reported that their ability to meet these future challenges was good, 70% of the ALEOs were positive. (**Tables 4.15 and 4.16**).

Table 4.15: Overall, how would you rate your ability as an organisation to meet these future challenges? (Councils)

Rating of Council to meet future challenges	%	Why do you say this?
Good	33%	• Experienced and flexible team • Strong commitment and investment in the services • Greater post-pandemic adaptability • Clear strategic framework to contribute to priority outcomes (e.g. poverty and inequality)
Neither/nor	42%	• Strategic planning for culture and leisure is strong but financial uncertainty is significant, particularly as non-statutory services • Dependency on external support (e.g. from HR, property, legal within LAs)
Not good	25%	• Continuing reductions in revenue support grants over the forthcoming years • Lack of decision-making by relevant committees • Significant requirement for statutory services spend (e.g. social care) to address ageing population

N=12

Table 5.16: Overall, how would you rate your ability as an organisation to meet these future challenges? (ALEOs)

Rating of ALEO to meet future challenges	%	Why do you say this?
Good	70%	• Experienced and strong management team with expertise which will allow for planning for and adapting to challenges. • Some ALEOs are currently in a good position financially (see comment in Chapter 6) and feel that, as such, they could handle potential challenges. • Strong relationships with local authorities, delivery partners and funding partners.
Neither/nor	20%	• The future is uncertain • Efficiency reviews are ongoing
Not good	10%	• Facilities are ageing and degrading • Lack of investment available from partners to adopt a whole systems approach to improving health and wellbeing.

N=12

Respondents were asked what kind of help, if any, they may need to tackle these future challenges. The most commonly identified area of need was for increased financial support and funding – this included partner funding, grants from the Scottish Government, and revenue support for culture and leisure services. Other areas which respondents identified that they may require help include:

- Policy advocacy and support.
- Collaboration and alignment with partners, including Creative Scotland and sportscotland.
- Knowledge sharing and best practice.

Final Comments

Final comments provided by council respondents reinforced the multifaceted challenges that councils face and the types of support needed to sustain and develop culture and sport and leisure services. Financial constraints and budget cuts were the most frequently mentioned challenges, followed by the recognised importance of culture for economic and community well-being. Increased collaboration, support for young people, alignment with council policies, sustaining cultural infrastructure, and the role of government and policy advocacy were also significant themes raised by respondents in the final comments.

Some ALEOs left some final comments, often noting the important role that income generation and business growth can play in helping to mitigate future budget pressures.,

5 Sector Interviews

5.1 Introduction

In addition to the main survey, a small number of interviews were also undertaken with those operating in the sector. This section reports the main points arising from these discussions.

5.2 Overview

All agreed that this was a challenging time for culture and leisure services due to what one interviewee described as "systemic underfunding of the sector" combined with rising costs. Of course, these are not issues unique to culture and sport and leisure and many pointed to what they felt was a wider crisis in public services and in local government finance. In particular, with protected budgets in areas like education and social work, councils are having to find often large savings in smaller services. This has certainly impacted on culture and leisure and the long-term analysis presented in **Chapter 2** supports this view.

It is also worth noting that there is considerable variation across the country, and some councils are in more difficult financial positions than others. The same is also true of culture and sport and leisure services providers (whether council or ALEO).

5.3 Covid-19

The pandemic was widely recognised to have been a difficult time for a multitude of reasons, including the general uncertainty and pressures on staff. It obviously had a substantial impact on culture and leisure with facilities closed and services stopped virtually overnight. Interviewees pointed to the effort made by staff to shift services online where possible and to their wider contribution to communities through the worst of the pandemic period. Indeed, some had staff redeployed via councils and partners to assist in emergency response activities.

Interestingly, however, in terms of the financial impact of the pandemic on the sector, the picture is more mixed than might be imagined, depending on how councils and their ALEOs responded.

The ALEOs reported good support from their councils during the pandemic. In particular, they tended to receive a letter of comfort (or similar) from the council indicating that they would support them financially, underwriting lost income and ensuring that insolvency and job losses would be avoided.

Government support, particularly the Coronavirus Job Retention Scheme (the 'furlough' scheme), was extremely useful although its use varied. While some councils (and ALEOs) made quite limited use of the furlough support – typically furloughing only those staff that were in revenue generating positions (e.g. working in retail or catering) - others used this more extensively. This was a valuable source of income at a time when costs were also reduced through facility closures.

Of course, with closures and lockdowns, income was also lost. However, the input of funding support, both from national government and councils and, for some, income for the use of their facilities for pandemic response activity such as vaccination, meant that the pandemic was actually positive in financial terms. For others, it also provided a valuable opportunity to refresh and even reimagine areas of service provision.

Closing facilities, as discussed below, is always a challenging issue, but some providers took the opportunity to not reopen some facilities post pandemic, which was considered less difficult than outright closures. This again was beneficial in financial and operational terms, at least for some.

5.4 Post-Covid Recovery

The immediate post lockdown period was one of considerable uncertainty regarding community appetite for culture and leisure. Some services, particularly those that take place outdoors (e.g. golf) experienced strong growth in demand, while for others such as theatre, audiences were slower to return. This created uncertainty and difficulties in forward planning for many service providers. Changing guidance around issues such as social distancing also required the rapid adaptation of working practices and in many cases buildings, affecting which services could restart and when. Interviewees again spoke of the commitment and resilience of staff in managing such change at what was already a difficult time, and of the critically important role that culture and leisure services played in supporting communities.

While the period since has brought further recovery, very few felt that service usage and income had (yet) returned to pre-Covid levels. However, most were optimistic that further growth would come in time.

5.5 Current Position

The current position reported by the interviewees varied. While some emerged from the pandemic in a stronger financial position, most faced some challenges in getting back to a balanced position, even if this was from a smaller overall base.

However, all reported difficulties ahead, due to a combination of rising costs, pressure on council budget and public funding generally, and challenges with staffing.

The cost-of-living issues that followed the pandemic also affected culture and leisure service providers in different ways. While some have been protected by councils from the rapid increase in energy costs, in house services have sometimes found this impacting budgets. Staff costs have also increased with pay awards, and again while this is covered by councils in some cases, the councils themselves are often facing enormous pressures relating to pay, contributing to general funding challenges. More widely, the period of high inflation has also led to increased costs across the board, including for supplies and in areas like insurance. While the rate of inflation has since reduced, costs have generally not.

The cost-of-living crisis has also impacted on service demand, with many households reducing non-essential spending in order to manage their rising costs, and councils have often been reluctant to increase prices (for obvious reasons).

While most remained positive about the future of culture and leisure services, there was clear recognition of the scale of the challenges ahead. As noted above, while there remains scope for some further income growth, few expected this to reach pre-pandemic levels. Costs will remain high and none of the interviewees expected any change in the funding environment.

While these are challenges that have been highlighted before, including in previous iterations of the current study, many felt that the environment now is genuinely different for a number of reasons:

- funding has been under pressure for many years – since the 2008 financial crisis if not before – and we are now seeing the cumulative impacts of that long term trend.
- councils and ALEOs have managed these pressures, in the main, but are now running out of options that do not substantially compromise service provision, quality and delivery – the obvious savings have now been all but exhausted.
- long term underfunding of maintenance across the culture and leisure estate has left many buildings outdated and/ or in a poor condition with a substantial backlog of capital requirements, even before the need to make these facilities more environmentally sustainable is considered. In fact, many feel that the existing estate is no longer affordable.
- cost increases are generally thought to be permanent and will continue to disrupt the sustainability of the services.

- staffing issues are evident in a number of ways. Most report real difficulty in recruiting and retaining staff both as a result of staff leaving the sector during the pandemic and because of wider challenges for the public sector in matching private sector terms and conditions. There are reported shortages in many key roles across the sector.

5.6 Solutions

While some remain optimistic about their own ability to manage these pressures through a combination of income growth, managed expansion (or reduction) of provision and/ or facilities and efficiency savings, most consider the status quo to be unsustainable. Many called for an urgent and honest debate about the future of culture and leisure services, often seeing this as part of a wider debate about the future of public services more generally.

Indeed, as pressure grows there is a risk that radical change could be 'forced' upon the sector by those without detailed knowledge and understanding of culture and leisure services. This suggests an urgent need for the sector to come together to generate its own solutions.

In this respect, some felt that a more regional approach could be needed. Regional models are increasingly prevalent in economic development (City Region and Growth Deals are one example) as well as in areas like planning. Despite obvious political barriers, some of the interviewees felt that more in the way of regional planning and sharing of resources could only be resisted for so long.

Many also felt that not only was the closure of some facilities inevitable but in some cases desirable where facilities are under used and no longer meeting the needs of communities. None, however, underestimated the challenge of managing political and community reaction to any closures, no matter how rational they might be.

While the potential for efficiency gains does remain, often this requires investment (for example in technology) that is simply not available, or at best is in short supply.

Many also spoke of the value of culture and leisure services in advancing the health and wellbeing agenda and this is an area that many of the ALEOs in particular have actively pursued in recent years via partnerships with the NHS and similar. While the evidence base on this is strong, significant barriers remain. Healthcare budgets are already under unprecedented pressure and are mainly directed at acute care services for which demand continues to rise. Even where good partnerships have been established, these remain at the margins of service provision and are often subject to annual funding agreements. As a result, they are inherently precarious.

Partnership working, in various forms, is generally considered the most likely solution. This includes ongoing partnership with health and social care partnerships around the wellbeing agenda, but also with other service areas like economic development, community development and regeneration and education. This extends to co-location of services within hub-style facilities which has already started to develop in many parts of the country. It also means innovating new models in partnership with communities, including but not limited to, asset transfer and community management options. Perhaps most significantly, it requires that councils and ALEOs recognise that direct delivery is not always the only or even the best option and that others may be equally well placed to deliver services.

6 Conclusions

6.1 Introduction

As noted in the introduction, this is the fourth in a series of similar reports tracking the health of local government culture and leisure services in Scotland over a period of 15 years. Over that time, there has been a general move towards more externalisation of service delivery - although that trend has halted and may have even begun to reverse, at least in some places.

There has also been growing financial pressure on the services, both in house and external. The financial analysis presented in **Chapter 2** suggests that the real terms reduction in culture and leisure budgets in the last decade could be as much as 33% in some areas. This reflects a number of factors:

- over a decade of austerity measures affecting public finances following the 2008 financial crisis everting pressure on local government budgets;
- growing demand for health and social care services as a result of the ageing population in the UK and in Scotland. This has required increases in resources for these services without growth in public sector budgets to match, hence other services having to find savings;
- increasing ringfencing of council budgets for national priorities, reducing more discretionary spend;
- lack of statutory protection for culture and leisure services, meaning that when councils face difficult budget decisions (as they have done for many years now) they prioritise statutory services, again resulting in larger reductions for non-statutory provision like culture and leisure; and
- growing competition from the private sector in health and fitness (e.g. low-cost gyms) which has impacted on revenue generation for leisure services.

More recently, the combination of the pandemic, the rising inflation and the cost-of-living crisis have added further pressure to services that have already sustained budget cuts for more than 10 years. The inescapable conclusion must be that this is no longer sustainable.

6.2 Current Position

The evidence both from the financial analysis and the survey work suggests a deepening crisis in culture and leisure services. Funding is expected to continue to fall, and previous reductions in staff and, in some cases, facilities are already impacting the range and quality of service provision. Many expect that these trends will continue, with further reductions in staff and facilities, and resulting negative impacts on services.

While some organisations, such as ALEOs, may have emerged from the pandemic in better financial health, even they consider their position to be precarious. It is acknowledged that while there is still potential for further income growth, this is unlikely to reach pre-pandemic levels. At the same time, costs remain high and there are significant challenges with staff recruitment and retention, leading to skills shortages across the sector. Any significant injection of additional resources into the sector seems very unlikely given the extent of the ongoing pressure, and rising demand in other areas of public service delivery.

All of this points to a need for transformational change rather than more of the successive rounds of efficiency measures that we have seen thus far, much of which has in any case now been exhausted.

In considering future options, it is important to remember how much these services matter. The wellbeing benefits of participation in culture and leisure are now well established, and it was to culture and leisure that many people turned during the worst of the pandemic. These services clearly matter to people and to communities and their value considerably outweighs their cost (culture and leisure typically accounting for only a small proportion of overall council budgets).

It is important that these messages are front and centre, and effectively communicated to politicians at national and local levels.

Appendix A: Service Delivery Models

Over the last 40 years or so, councils have increasingly looked to alternative delivery models for services, including culture and leisure services. The most commonly used alternative to in house delivery of culture and leisure is that of the arm's length external organisation (ALEO). Normally established as a charitable trust, the ALEO model conferred benefits to councils in the form of exemption from non-domestic rates for properties managed by the trust. This benefit was effectively discontinued following the Barclay Review of Business Rates in 2017. While the exemption continues for properties that were already managed by ALEOs, no new properties coming under ALEO management will have the exemption, a change that acted as a disincentive to councils seeking to establish new ALEOs or add more properties into the existing trusts.

There are, of course, other benefits attributed to the ALEO model. Freedom from Council bureaucracy, access to other sources of funding and the ability to develop more agile, entrepreneurial cultures are also frequently identified benefits of the externalised models. These benefits led more and more councils to seek to externalise service delivery, and for more to join culture and leisure services together to form larger, multi-function trusts in which revenue generating services such as health and fitness could help cross-subsidise those that create little income, such as libraries.

ALEOs receive payments for their council for the delivery of services (commonly known as a management fee) and may also make use of council services in areas like payroll, finance, HR and IT. Most (but not all) are established as single member trusts in which the council is the sole member.

The ALEO model has always been politically sensitive, with some considering it to result in reduced accountability for what remain public services, even despite the presence of elected members on ALEO Boards and quite clear governance structure and practices. Indeed, a number of councils, including North Lanarkshire and Falkirk, have recently brought services back in house, foregoing rates savings in favour of what is perceived to be a greater degree of control over public services.

However, only ten councils continue to deliver both culture and leisure in house, underlining the appeal of the ALEO model. Of those that do have one or more ALEOs, 12 have a single ALEO covering both culture and sport. 16 councils deliver culture services in house and ten deliver leisure services. The details are shown in **Table A.1**.

Table A.1: Council delivery models for culture and leisure services

Local Authority Area	Cultural Services	Sport and Leisure Services
Aberdeen City	In House/ Aberdeen Performing Arts (Independent Trust)	Sport Aberdeen (ALEO)
Aberdeenshire	In House	In House
Angus	Angus Alive (ALEO)	Angus Alive (ALEO)
Argyll and Bute	Live Argyll (ALEO)	Live Argyll (ALEO)
Clackmannanshire	In House	In House
Dumfries and Galloway	In House	In House
Dundee City	Leisure and Culture Dundee (ALEO)	Leisure and Culture Dundee (ALEO)
East Ayrshire	East Ayrshire Leisure (ALEO)	East Ayrshire Leisure (ALEO)
East Dunbartonshire	East Dunbartonshire Leisure and Culture (ALEO)	East Dunbartonshire Leisure and Culture (ALEO)
East Lothian	In House	Enjoy Leisure (ALEO)
East Renfrewshire	East Renfrewshire Culture and Leisure (ALEO)	East Renfrewshire Culture and Leisure (ALEO)
Edinburgh City	In House	Edinburgh Leisure (ALEO)
Falkirk	In House	In House
Fife	On at Fife (ALEO)	Fife Sport and Leisure Trust (ALEO)
Glasgow City	Glasgow Life (ALEO)	Glasgow Life (ALEO)
Highland	Highlife Highland (ALEO)	Highlife Highland (ALEO)
Inverclyde	In House	Inverclyde Leisure (ALEO)
Midlothian	In House	In House
Moray	In House	In House
Na h-Eileanan Siar	In House	In House
North Ayrshire	In House / KA Leisure (ALEO)	KA Leisure (ALEO)
North Lanarkshire	In House	In House
Orkney Islands	In House	In House
Perth and Kinross	Culture Perth and Kinross (ALEO) Perth Theatre and Concert Hall (ALEO)	Live Active (ALEO)
Renfrewshire	One Ren (ALEO)	One Ren (ALEO)
Scottish Borders	Live Borders (ALEO)	Live Borders (ALEO)
Shetland Islands	In House/ Shetland Art Development Agency (independent)	Shetland Recreational Trust (independent)
South Ayrshire	In House	In House
South Lanarkshire	South Lanarkshire Leisure and Culture (ALEO)	South Lanarkshire Leisure and Culture (ALEO)
Stirling	In House	Active Stirling (ALEO)
West Dunbartonshire	In House	West Dunbartonshire Leisure (ALEO)
West Lothian	In House	West Lothian Leisure (ALEO)

Appendix B: Council Survey Data

Introduction

This provides analysis of local authority (LA) feedback gathered via a self-completion survey. The views of Arm's Length External Organisations (ALEO) are reported in **Appendix C**.

As a result of staff turnover and changes, contact information for LAs (and ALEOs) was incomplete and, in some cases, we relied on being signposted to the most appropriate colleague.

An introductory email with survey link was tailored and issued by the most relevant organisation – sportscotland for local authority leisure services, Creative Scotland for local authority cultural services, and Community Leisure UK for ALEOs. EKOS provided support to respondents for completing the survey.

The surveys ran from 2 April 2024 to 26 April 2024 and was extended to 17 May 2024 to allow organisations to gather the relevant information needed to complete the survey.

Where respondents from the same organisation have filled in different sections of the survey, these responses have been merged and any duplicate responses removed.

Local Authority Survey

The local authority survey received 17 responses across cultural and leisure services from 14 LAs.

Around three in five LAs (57%) reported that cultural services are completely delivered by the local authority with over one-third (36%) completely delivering leisure services in their area, **Table B.1**.

Table B.1: How are cultural and leisure services delivered by your local authority?

	%
Cultural services are completely delivered by the local authority	57%
Leisure services are completely delivered by the local authority	36%
Cultural services are partially delivered by the local authority and partially by an ALEO	29%
Leisure services are partially delivered by the local authority and partially by an ALEO	29%
Cultural services are completely delivered by an ALEO	7%
Leisure services are completely delivered by an ALEO	29%

N=14. Question allowed for multi-choice options to be selected.

The most common cultural service areas delivered by LAs were instrumental music service and arts development, **Figure B.1**. For leisure services, outdoor and indoor sports facilities as well as sporting events were the most common leisure services delivered by local authorities, **Figure B.2**.

Figure B.1: % of LAs that deliver culture services by service area

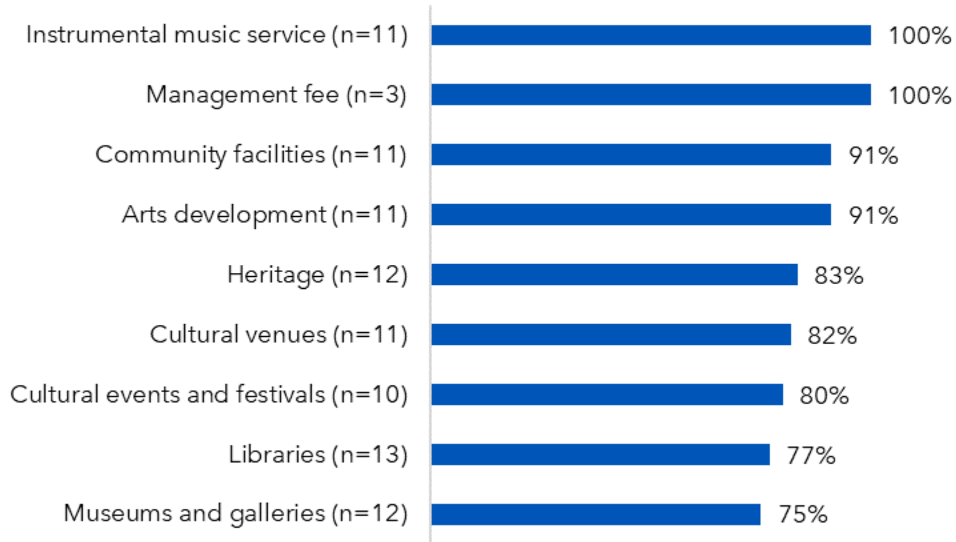
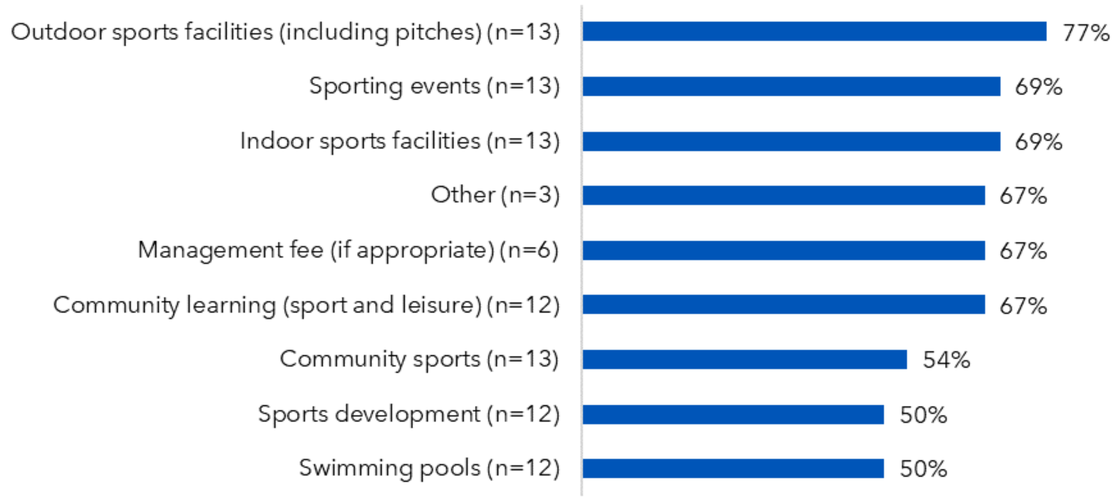


Figure B.2: % of LAs that deliver leisure services by service area



Strategic Priority

The survey indicates a reasonably high degree of strategic priority attached to culture and leisure services by councils. The majority of respondents indicated that they had a strategy for sport and leisure (n=11, 79%) and a strategy for culture (n=9, 64%). This was followed by those who reported that culture was explicitly recognised within wider Council strategies, such as economic development (n=10, 71%). Additionally, sport and leisure were explicitly recognised within wider Council strategies, such as economic development (n=8, 57%).

Table B.2: Which of the following statements are true? Please select all that apply.

Statement	No of respondents	% of respondents
We have a strategy for culture	9	64%
We have a strategy for sport and leisure	11	79%
Culture is explicitly recognised within wider Council strategies (e.g. economic development)	10	71%
Sport and leisure is explicitly recognised within wider Council strategies (e.g. economic development)	8	57%
Culture does not have a high strategic priority within our Council area	2	14%
Sport and leisure does not have a high strategic priority within our Council area	1	7%

N=14. Question allowed for multi-choice options to be selected.

Financial Overview

As financial information was not provided by all LAs in response to the survey, there are some data gaps within this section. Fuller analysis of financial information, which is based on Scottish Local Government Finance Statistics (SLGFS), is included within **Chapter 3**.

Culture Expenditure

In 2022/23, capital expenditure ranged from £246,000 to £20,400,000 for culture services with an average of around £6 million. Only two LAs provided figures for revenue expenditure (£11 million and almost £2million). Average total expenditure for culture was £7.87 million across nine respondent LAs.

Leisure Expenditure

In 2022/23, capital expenditure ranged from £170,000 to £12,800,000 for leisure services with an average of around £3.5 million. Revenue expenditure was higher and ranged from £1.02 million to £24.6 million with an average of £6.79 million. Average total expenditure for leisure was £10.19 million across the 11 respondent LAs.

Table B.3: What was your actual (net) expenditure for culture and leisure in 2022/23? (£000s)

Culture	Min (£)	Max (£)	Avg. (£)	Sum total	Base
Capital	£250	£20,400	£6,050	£66,540	11
Revenue	£1,980	£11,050	£6,510	£13,030	2
Total	£2,100	£17,680	£7,870	£70,830	9
Leisure	**Min (£)**	**Max (£)**	**Avg. (£)**	**Sum total**	**Base**
Capital	£170	£12,800	£3,500	£35,030	10
Revenue	£1,020	£24,600	£6,790	£81,450	12
Total	£960	£31,600	£10,190	£112,090	11

Figures have been rounded to nearest 10,000.

Table B.4: What was your net revenue expenditure for 2021/22 and 2022/23 broken down across the following broad categories? (£000s)

Culture	2021/22					2022/23				
	Min (£)	Max (£)	Avg. (£)	Sum total	Base	Min (£)	Max (£)	Avg. (£)	Sum total	Base
Management fee paid to an ALEO for cultural services	£450	£4,440	£2,760	£8,270	3	£20	£4,700	£2,290	£9,170	4
Direct provision (venues and facilities)	£1,760	£20,400	£5,680	£34,080	6	£280	£4,380	£2,450	£14,690	6
Grants to third parties (professional)	£170	£240	£200	£600	3	£200	£250	£230	£680	3
Grants to third parties (voluntary)	£4	£100	£50	£150	3	£4	£100	£50	£190	4
Community arts development activities	£2	£500	£200	£820	4	£2	£500	£200	£800	5
Events and festivals	£270	£270	£270	£270	1	£50	£350	£180	£530	4
Museums/heritage activities	£10	£2,230	£620	£3,110	5	£4	£2,270	£650	£3,240	6
Capital expenditure	£140	£10,000	£3,950	£19,750	5	£20	£10,600	£2,150	£15,080	7
Leisure	2021/22					2022/23				
	Min (£)	Max (£)	Avg. (£)	Sum total	Base	Min (£)	Max (£)	Avg. (£)	Sum total	Base
Management fee paid to an ALEO for leisure services	£510	£13,040	£3,900	£23,400	6	£660	£11,040	£3,610	£21,680	6
Direct provision (facilities)	£290	£24,600	£7,420	£37,100	5	£500	£7,510	£3,550	£17,730	6
Grants to third parties (professional)	£10	£140	£60	£180	3	£10	£170	£70	£210	5
Grants to third parties (voluntary)	£4	£210	£60	£260	4	£10	£740	£210	£1,050	6
Community sports development activities	£270	£1,210	£870	£3,500	5	£260	£1,190	£870	£3,470	6
Sporting events	£70	£70	£70	£70	2	£60	£60	£60	£60	3
Capital expenditure	£400	£1,780	£1,020	£7,120	8	£170	£5,420	£1,900	£15,240	9

Regarding changes in the budget for culture and leisure since the pre-pandemic years (2013-2019 and 2022/23), the majority of respondents reported a decrease (n=6, 60%) with a few reporting an increase (n=3, 30%), **Table B.5**.

In terms of culture, the most common areas that local authorities reported a decrease or no change in budget was management fee paid to an ALEO (n=4, 100%), grants to third parties (voluntary), and museums/heritage activities, **Table B.6**. Grants to third parties (both professional and voluntary) were key areas of decrease for leisure services as well as budget for sporting events.

Table B.5: Please provide more details on how your budget for culture has changed since the pre-pandemic years (2013-2019 and 2022/23).

	Increased	Decreased	No Change	Decreased or no change
Management fee paid to an ALEO (n=4)	0%	75%	25%	100%
Grants to third parties (voluntary) (n=8)	13%	38%	50%	88%
Museums/heritage activities (n=7)	14%	29%	57%	86%
Grants to third parties (professional) (n=6)	17%	17%	67%	83%
Events and festivals (n=6)	17%	33%	50%	83%
Direct provision (venues and facilities) (n=9)	22%	56%	22%	78%
Community arts development activities (n=9)	33%	33%	33%	67%
Capital expenditure (n=6)	33%	17%	50%	67%
Other (n=2)	50%	0%	50%	50%

Table B.6: Please provide more details on how your budget for leisure has changed since the pre-pandemic years (2013-2019 and 2022/23).

	Increased	Decreased	No Change	Decreased or no change
Grants to third parties (professional) (n=8)	0%	0%	100%	100%
Other (n=2)	0%	50%	50%	100%
Sporting events (n=9)	11%	33%	56%	89%
Grants to third parties (voluntary) (n=8)	13%	13%	75%	88%
Management fee paid to an ALEO (n=7)	29%	71%	0%	71%
Direct provision (facilities) (n=9)	33%	22%	44%	67%
Community sports development activities (n=9)	33%	33%	33%	67%
Capital expenditure (n=9)	56%	11%	33%	44%

Since pre-pandemic years, 85% of LAs have had to make savings in culture and/or leisure budget, **Table B.7**.

Table B.7: Have you had to make savings in culture and/or leisure since the pre-pandemic years (2013-2019)?

	Number	%
Yes - both	6	46%
Yes - culture	3	23%
Yes - leisure	2	15%
No	2	15%

N=13. Don't knows removed.

Table B.8 provides detail on how local authorities have made savings in culture budgets since pre-pandemic and how they plan to make savings in the future. Most local authorities had made savings in culture budget with reduced staff costs through natural wastage (67%) and voluntary redundancies (56%) – this is forecast to continue. Compared to pre-pandemic changes, more local authorities will plan to make culture savings with changed pricing/charging policies (78%) and property rationalisation (67%). One third reported already having closed facilities with a third also indicating this in future.

Table B.8: Pre-pandemic changes and future changes planned to make savings in culture budget

	Pre-Pandemic change	Future change
Reduced staff costs through natural wastage	67%	56%
Reduced staff costs through voluntary redundancies	56%	44%
Reduced opening hours in some facilities	44%	56%
Reduced back-office costs or jointly delivering back office services with other organisations	44%	11%
Reduced staff costs through operational efficiencies (e.g. workforce scheduling)	44%	56%
Changed pricing/charging policies	44%	78%
Reduced the scale (scope, reach, frequency, etc) of services across the board	33%	44%
Reduced the scale of some services while retaining others	33%	67%
Closed some facilities altogether	33%	33%
Property rationalisation	33%	67%
Reduced staff costs through pay freezes/cuts	22%	0%
Reduced staff costs through compulsory redundancies	22%	0%
Outsourced some services (or elements of services)	22%	11%
Other	22%	22%
Removed some services altogether	11%	22%

	Pre-Pandemic change	Future change
Alternative delivery mechanisms	11%	22%
Don't know	0%	22%

N=9. Question allowed for multi-choice options to be selected.

Similar to culture, the most common leisure savings made since pre-pandemic (**Table B.9**) have been in reduced staff costs through natural wastage (63%) and operational efficiencies (50%) – half of respondent LAs forecast that this will continue. The most common future savings will be from changed pricing/charging policies (63%) and property rationalisation (63%). Facility closures have again been used.

Table B.9: Pre-pandemic changes and future changes planned to make savings in culture budget

	Pre-Pandemic change	Future change
Reduced staff costs through natural wastage	63%	50%
Reduced staff costs through operational efficiencies (e.g. workforce scheduling)	50%	50%
Reduced staff costs through voluntary redundancies	38%	38%
Reduced the scale (scope, reach, frequency, etc) of services across the board	38%	38%
Reduced the scale of some services while retaining others	38%	50%
Closed some facilities altogether	38%	38%
Removed some services altogether	38%	13%
Changed pricing/charging policies	38%	63%
Property rationalisation	38%	63%
Other	38%	38%
Reduced staff costs through pay freezes/cuts	25%	0%
Reduced opening hours in some facilities	25%	25%
Reduced back office costs or jointly delivering back office services with other organisations	25%	13%
Alternative delivery mechanisms	25%	13%
Reduced staff costs through compulsory redundancies	13%	0%
Outsourced some services (or elements of services)	13%	0%
Don't know	0%	25%

N=8. Question allowed for multi-choice options to be selected.

Respondents who indicated that their LA had closed facilities were asked to specify and quantify what type of facilities had been affected, **Table B.10**.

Table B.10: If you have closed facilities please tell us which kind.

	No. of LAs	Total number*
Libraries	3	7
Community halls	2	1
Sports facilities (outdoor)	1	*
Cultural venues	1	1
Museums/galleries	0	0
Heritage sites	0	0
Sports centres (indoor)	0	0
Swimming pools	0	0

Only two local authorities specified how many facilities were closed. * denotes where total number was not specified.

Staffing Levels

Respondents were asked more details about staffing changes over the last three years, **Tables B.11** and **B.12**. For culture services, operational staff (57% of LAs) and arts development (50%) were the most commonly identified areas where the number of posts has reduced.

Table B.11: In which areas of culture services have there been increases or decreases in staffing levels over the last three years (e.g. arts development, sports development)?

	No. of posts has reduced	No. of posts has stayed the same	No. of posts has increased
Other (n=1)	100%	0%	0%
Operational Staff (n=7)	57%	29%	14%
Arts Development (n=8)	50%	25%	25%
Other specialists (n=2)	50%	50%	0%
Senior Management (n=7)	43%	29%	29%
Support Staff (e.g. admin, finance etc.) (n=7)	43%	57%	0%
Business development staff (including marketing) (n=5)	40%	20%	40%
Facility Managers (n=6)	33%	67%	0%
Front of House (facilities) (n=7)	29%	57%	14%
Education and Outreach staff (n=4)	25%	50%	25%
Museum Curators/Collections management roles (n=6)	17%	67%	17%

Other specified was "libraries". Don't knows removed.

For sport and leisure services, specialists (e.g. coaches, trainers) were the main area in which to see staff reductions (80% of LAs) followed by operational staff (50%), front of house at facilities (50%), and education and outreach staff (50%).

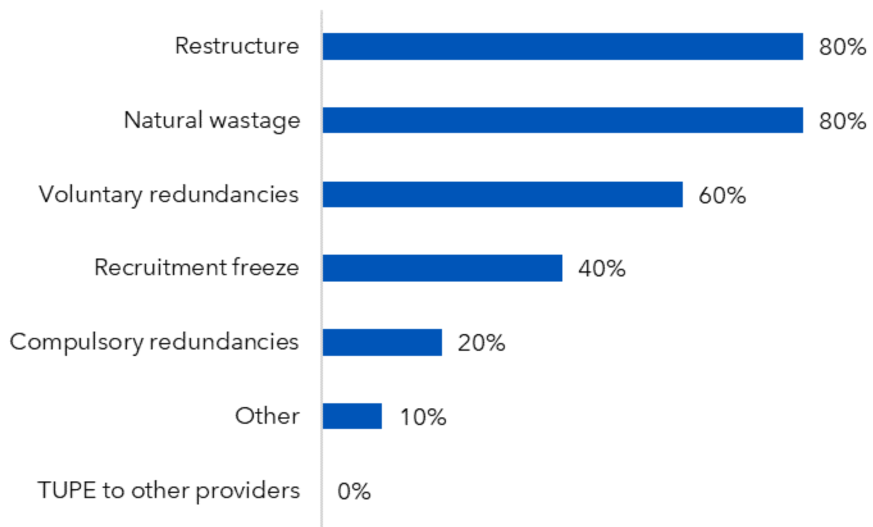
Table B.12: In which areas of sport and leisure services have there been increases or decreases in staffing levels over the last three years?

	No. of posts has reduced	No. of posts has stayed the same	No. of posts has increased
Specialists (e.g. coaches/trainers) (n=5)	80%	0%	20%
Operational Staff (n=6)	50%	33%	17%
Front of House (facilities) (n=6)	50%	50%	0%
Education and Outreach staff (n=4)	50%	50%	0%
Senior Management (n=9)	44%	56%	0%
Facility Managers (n=6)	33%	50%	17%
Support Staff (e.g. admin, finance etc.) (n=7)	29%	71%	0%
Sports Development (n=7)	29%	57%	14%
Business development staff (including marketing) (n=5)	20%	60%	20%

Don't knows removed.

These staffing reductions have mostly been achieved through restructure (80%), natural wastage (80%), and voluntary redundancies (60%), **Figure B.3**.

Figure B.3: If the number of posts (in any area) has reduced, how was this achieved?



N=10

Impact of Changes

Respondents were asked about the impact of changes in budget, staffing and facilities for culture and sport and leisure services in their area, **Tables B.13** and **B.14**. For culture, these changes had a negative impact across many factors, particularly in terms of reputation in the community (44%), intensity and frequency of services (43%). Only two factors had more LAs reporting a positive impact than a negative impact – this was for cost of delivering services (50%) and partnership working (38%).

Similar results were reported for sport and leisure services with the addition of quality/range of services available (40%), quality of services provided (40%), and ability to deliver local priorities (40%) for negative impact. Only three factors had more LAs reporting a positive impact than a negative impact – these were service efficiency (60%), cost of delivering services (44%) and partnership working (40%).

Table B.13: What has been the impact of these changes in budgets/staffing/facilities for culture services in your area?

	A positive impact	No impact	A negative impact	Don't know
Reputation in the community	11%	22%	44%	22%
Intensity or frequency of services	14%	29%	43%	14%
Quality of services provided	25%	25%	38%	13%
Quantity/range of services available	25%	25%	38%	13%
Ability to deliver on local priorities and targets	38%	13%	38%	13%
Ability to target/engage those most in need (e.g. SIMD areas)	38%	13%	38%	13%
Satisfaction of users	22%	33%	33%	11%
Service efficiency	33%	11%	33%	22%
Partnership working	38%	25%	25%	13%
Cost of delivering services	50%	13%	25%	13%
Local economic impact	22%	33%	22%	22%

Base number ranged from 7 to 9.

Table B.14: What has been the impact of these changes in budgets/staffing/facilities for sport and leisure services in your area?

	A positive impact	No impact	A negative impact	Don't know
Quantity/range of services available	10%	40%	40%	10%
Intensity or frequency of services	10%	40%	40%	10%
Reputation in the community	0%	30%	40%	30%
Ability to deliver on local priorities and targets	20%	20%	40%	20%
Quality of services provided	20%	20%	40%	20%
Satisfaction of users	0%	30%	30%	40%
Ability to target/engage those most in need (e.g. SIMD areas)	30%	20%	30%	20%
Partnership working	40%	30%	20%	10%
Cost of delivering services (n=9)	44%	11%	11%	33%
Local economic impact	10%	20%	10%	60%
Service efficiency	60%	10%	10%	20%

N=10 unless stated.

Future Outlook

Almost all LA respondents (91%) with responsibility for culture services expected to make future savings; the remaining one LA respondent did not know. When asked what percentage of savings will need to be made, only four LAs provided an estimate – 10%, 12%, 25%, and "unknown could be up to 50%". A couple more stated that they were uncertain.

Four in five LA respondents (80%) with responsibility for sport and leisure services expected to make savings. One respondent (10%) stated that they will maintain spend at current levels and the remaining respondent did not know (10%). Four LAs provided an estimate – this included 5%, 12%, 20%, and "unknown could be up to 50%". A couple more stated that they were uncertain.

The majority of respondents reported that their service will require a similar or greater saving compared to other services (culture: 75%; and sport and leisure: 63%), **Table B.15**.

Table B.15: How do you expect any anticipated budget reductions are likely to compare with other service areas?

	Culture (n=8)	Sport and leisure (n=8)
Required to make a greater than average saving	50%	38%
Broadly similar saving as other service areas	25%	25%
Required to make a lower than average saving	0%	0%
Don't know	25%	38%

Local authorities mostly think they will be required to make a greater than average saving due to the significant budget constraints and financial challenges, non-statutory nature of culture and sport and leisure services, and proportional targets and service reductions.

Respondents were asked how their local authority expects specific areas of cultural activity to be affected over the next three years, **Table B.16**. High levels of uncertainty were noted, especially for libraries (44%), cultural venues (44%), museums and galleries (44%), heritage (43%), and grants to voluntary organisations (43%).

While no respondents indicated that any services would close facilities or be stopped altogether, almost half of local authorities indicated that services would be reduced in scale for libraries (44%), arts development (44%), community facilities (43%), and instrumental music services (43%).

Table B.16: How do you expect specific areas of cultural activity within the authority to be affected over the next three years?

	Reduced in scale	Reduced opening hours	Closed facilities	Stopped altogether	Increase	No change	Don't know
Libraries	44%	11%	0%	0%	0%	0%	44%
Museums and galleries	22%	0%	0%	0%	22%	11%	44%
Cultural venues	22%	0%	0%	0%	22%	11%	44%
Arts development	44%	0%	0%	0%	11%	11%	33%
Cultural events and festivals	25%	0%	0%	0%	13%	25%	38%
Heritage	0%	0%	0%	0%	43%	14%	43%
Community facilities	43%	0%	0%	0%	14%	14%	29%
Instrumental music service	43%	0%	0%	0%	0%	29%	29%
Grants to voluntary organisations	29%	0%	0%	0%	0%	29%	43%

Base numbers ranged from 7 to 9.

Several sport and leisure services are expected to maintain their current levels with sports development (56%) and Active Schools (56%) showing the highest expected stability, **Table B.17**. The most affected areas are likely to be reduced scale, grants to voluntary organisations (56%) and pitches (44%).

Table B.17: How do you expect specific areas of sport and leisure activity within the authority to be affected over the next three years?

	Reduced in scale	Reduced opening hours	Closed facilities	Stopped altogether	Increase	No change	Don't know
Sports facilities (indoor)	22%	0%	11%	0%	11%	33%	22%
Sports facilities (outdoor)	33%	0%	11%	0%	0%	44%	11%
Pitches	44%	0%	0%	0%	11%	33%	11%
Sports development	11%	0%	0%	0%	11%	56%	22%
Sporting events	33%	0%	0%	0%	0%	44%	22%
Community programmes	22%	0%	0%	0%	22%	33%	22%
Active Schools	0%	0%	0%	11%	22%	56%	11%
Grants to voluntary organisations	56%	0%	0%	0%	0%	11%	33%

N=9.

Almost two-thirds of respondents (63%) reported that changes in budgets/staffing levels of culture services would have a negative impact on their ability to deliver on local priorities and targets, **Table B.18**. Other key areas with a negative impact included quality of services provided (50%) and intensity or frequency of services (50%).

While negative impacts are widely anticipated across several critical areas, there are pockets of expected positive outcomes, particularly in partnership working and cost efficiency. It should be noted that high levels of uncertainty were reported, particularly for reputation in the community and satisfaction of users (both 43%).

Table B.18: What will be the impact of any changes in budgets/staffing levels for the planning and management of culture services (or from having a standstill resource) on the following...?

	A positive impact	No impact	A negative impact	Don't know
Ability to deliver on local priorities and targets	0%	13%	63%	25%
Quality of services provided	13%	13%	50%	25%
Intensity or frequency of services	25%	0%	50%	25%
Reputation in the community (n=7)	14%	0%	43%	43%
Satisfaction of users (n=7)	14%	0%	43%	43%
Ability to target/engage those most in need (e.g. deprived areas)	13%	25%	38%	25%
Quantity/range of services available	25%	13%	38%	25%
Local economic impact	25%	13%	38%	25%
Partnership working	38%	13%	25%	25%
Service efficiency	25%	13%	25%	38%
Cost of delivering services	38%	13%	25%	25%

N=8 unless stated.

For sport and leisure services, the quality of services provided and the quality/range of services available would be most negatively impacted (67%), **Table B.19**. Partnership working was the only factor which had more LAs reporting a positive impact than negative impact. Again, the high levels of uncertainty should be noted.

Table B.19: What will be the impact of any changes in budgets/staffing levels for the planning and management of sport and leisure services (or from having a standstill resource) on the following...?

	A positive impact	No impact	A negative impact	Don't know
Quality of services provided	22%	0%	67%	11%
Quantity/range of services available	22%	0%	67%	11%
Ability to deliver on local priorities and targets	33%	0%	56%	11%
Ability to target/ engage those most in need (e.g. deprived areas)	22%	11%	56%	11%
Intensity or frequency of services	0%	22%	56%	22%
Local economic impact	0%	33%	56%	11%
Reputation in the community	11%	22%	56%	11%
Cost of delivering services (n=8)	38%	0%	50%	13%
Satisfaction of users	11%	22%	44%	22%
Partnership working	44%	0%	33%	22%
Service efficiency	33%	11%	33%	22%

N=9 unless stated.

When asked to rate the importance of criteria in influencing decisions about how and where to achieve any budget savings, all respondents across culture and sport and leisure services considered the scale of potential cost savings (100%) and political priorities (100%) to be very important or important, **Table B.20**.

Table B.20: Percentage of respondents who rated that the following criteria will be 'very important' or 'important' in influencing decisions about how and where to achieve any required budget savings for culture and sport and leisure services

	Culture	Sport and leisure
Scale of potential cost savings	100%	100%
Political priorities	100%	100%
Possible impact on the wellbeing of users and communities	89%	100%
Income generation potential	67%	100%
Statutory duties	89%	75%
National policy guidance	78%	78%
Senior management procedures	67%	78%
Influence of partners	78%	56%
Relationships with Trade Unions	78%	56%
Availability of alternatives	56%	67%

N=9.

Future Challenges

The most commonly identified future challenge for local authorities related to reduced resources to support culture and/or sport and leisure, particularly for revenue (culture: 100% of respondents; sport and leisure: 90%) and capital resources (culture 73%; sport and leisure 90%), **Table B.21**. Other main challenges for culture included competing internal priorities (82%) and limited statutory responsibility (82%).

Respondents were asked to rate the top three challenges. For culture, 80% of respondents identified reduced revenue financial resources as the number 1 challenge, with 60% of respondents also rating reduced staff resources to support culture among their main challenges.

For sport and leisure, the ratings were more mixed – one-third of respondents rated reduced revenue financial resources for sport and leisure as the top challenge (67% rated within top three challenges).

Table B.21: Which of the following challenges, do you think you may face as an authority in the delivery of culture and sport and leisure services in future?

	Culture (n=11)	Sport and leisure (n=10)
Reduced revenue financial resources	100%	90%
Reduced capital resources	73%	90%
Competing priorities – internal	82%	70%
Limited statutory response	82%	70%
Reduced staff resources	73%	60%
Limited capacity to response to changing circumstances	55%	70%
Lack of skills and expertise	55%	50%
Reduced income from services	55%	50%
Reduced partner resources	64%	40%
Competing priorities among partner organisations	36%	50%
Limited political support for culture/sport and leisure at a local level	36%	30%

Question allowed for multi-choice options to be selected.

Feedback was mixed when respondents were asked to rate the ability of their LA to meet these future challenges, **Table B.22**.

Table B.22: Overall, how would you rate your ability as an organisation to meet these future challenges?

Rating of organisation to meet future challenges	%	Why do you say this?
Good	33%	• Experienced and flexible team • Strong commitment and investment to culture and sport and leisure services • Greater post-pandemic adaptability • Clear strategic framework to contribute to priority outcomes (e.g. poverty and inequality)
Neither/nor	42%	• Strategic planning for culture and sport and leisure is strong but financial uncertainty is significant, particularly as non-statutory services • Dependency on external support (e.g. from HR, property, legal within LAs)
Not good	25%	• Continuing reductions in revenue support grants over the forthcoming years • Lack of decision-making by relevant committees • Significant requirement for statutory services spend (e.g. social care) to address ageing population

N=12

Respondents were asked what kind of help, if any, they may need to tackle these challenges. The most commonly identified area of need was for increased financial support and funding – this included partner funding, grants from the Scottish Government, and revenue support for culture and sport and leisure services. Some respondents also emphasised the importance of securing stable and sufficient funding to maintain and develop services amid financial constraints.

Other areas which respondents identified that they may require help include:

- Strategic guidance and policy advocacy and support
- Capacity building and skills development
- Collaboration and alignment with partners, including Creative Scotland and sportscotland
- Knowledge sharing and best practice

Respondents were asked to rank several factors in the order of their relative importance in helping their local authority meet challenges, **Table B.23**. Most respondents felt that culture and sport and leisure as statutory services would be helpful as well as increased financial resources.

Table B.23: Percentage of respondents that ranked factor amongst their top three factors that would help their local authority meet challenges

	%
Sport and leisure as a statutory service	70%
Increased financial resources	70%
Culture as a statutory service	60%
Increased priority for sport and leisure	50%
Increased priority for culture	30%
Increased staff resources	30%
Improved understanding of local conditions	30%
Better/greater levels of partnership working	20%
Partnership working with sportscotland	10%
Partnership working with Creative Scotland	10%
Clearer strategic guidance at a national level for local authorities	0%
Better performance information at a national level to support benchmarking	0%

N=10. Question: Please rank the following in terms of their relative importance in helping your authority meet these challenges? (Where 1 is most important and 13 is of least importance).

Final Comments

Final comments provided by LA respondents reinforced the multifaceted challenges that LAs face and the types of support needed to sustain and develop culture and sport and leisure services. Financial constraints and budget cuts were the most frequently mentioned challenge, followed by the recognised importance of culture for economic and community well-being. Increased collaboration, support for young people, alignment with council policies, sustaining cultural infrastructure, and the role of government and policy advocacy were also significant themes raised by respondents in the final comments.

Summary

Key points:

- Compared to pre-pandemic years, 85% of LAs have had to make savings in culture and/or sport and leisure budgets. For culture, the most common areas that local authorities reported a decrease or no change in budget was the management fee paid to an ALEO, grants to third parties (voluntary), and museums/heritage activities. Grants to third parties (both professional and voluntary) were key areas of decrease or no change for sport and leisure services as well as budget for sporting events.

- Staffing reductions (through restructure, natural wastage and voluntary redundancies) have been the most common way to achieve savings. The most affected areas of staffing have been operational staff as well as arts development for culture, and specialist coaches and education and outreach staff for sport and leisure.
- However, LAs have indicated that changed pricing/charging policies and property rationalisation will increasingly be considered for savings in both the culture and sport and leisure budgets over the next three years.
- These changes and reductions in budget and staffing levels have had an overwhelmingly negative impact, particularly in terms of reputation in the community, intensity and frequency of services as well as the quality and range of services provided. Any further savings and changes in budget or staffing levels would have a negative impact on ability of cultural services to deliver on local priorities and targets (63% of LAs) and quality and range of sport and leisure services provided (67% of LAs).
- Looking to the future, almost all LA respondents expect to make future savings for culture (91%) and sport and leisure services (80%). The burden of cuts is expected to continue to fall greater on these non-statutory services as the majority of respondents reported that their service will require a similar or greater saving compared to other services.
- While no respondents indicated that any services would close facilities or be stopped altogether, almost half of local authorities indicated that services would be reduced in scale for libraries (44%), arts development (44%), community facilities (43%), and instrumental music services (43%). Several sport and leisure services are expected to maintain their current levels with sports development (56%) and Active Schools (56%) showing the highest expected stability. The most affected areas are likely to be reduced scale, grants to voluntary organisations (56%) and pitches (44%).
- The most commonly identified future challenge for local authorities related to reduced resources to support culture and/or sport and leisure, particularly for revenue (culture: 100% of respondents; sport and leisure: 90%) and capital resources (culture 73%; sport and leisure 90%).
- Respondents were asked what kind of help, if any, they may need to tackle these challenges. The most commonly identified area of need was for increased financial support and funding – this included partner funding, grants from the Scottish Government, and revenue support for culture and sport and leisure services. Some respondents also emphasised the importance of securing stable and sufficient funding to maintain and develop services amid financial constraints.

Appendix C: ALEO Survey

The ALEO survey received a total of 24 responses from 20 unique ALEOs. During the data cleaning process, four responses were removed. This included three partial responses from duplicate organisations. Also, one ALEO updated their response to give more accurate figures, the older response from this organisation was removed, for a total of 20 responses.

One quarter of ALEOs (25%) provide all culture and sport and leisure services within their local authority area. Three-fifths (60%) are responsible for all leisure services, **Table C.1**.

Table C.1: What service areas does the ALEO deliver on behalf of the Council?

	%
All leisure services	60%
All cultural services	35%
Some leisure services	35%
Some cultural services	20%

N=20
Note: Multiple responses were allowed, as a result, totals may be greater than 100%.

Only two ALEOs with responsibility for cultural services provided a figure of their total management fee received from local authority (£5.2 million and £8.5 million). Management fees for leisure ALEOs (n=10) ranged from £560,000 to £10 million with an average of £3.3m.

Some ALEOs provided a combined total as they cannot provide a breakdown of their management fees for culture and sport and leisure services separately. The average total management fee for both services is c. £13.8 million for ALEOs (with responses ranging from £560,000 to £86.46 million).

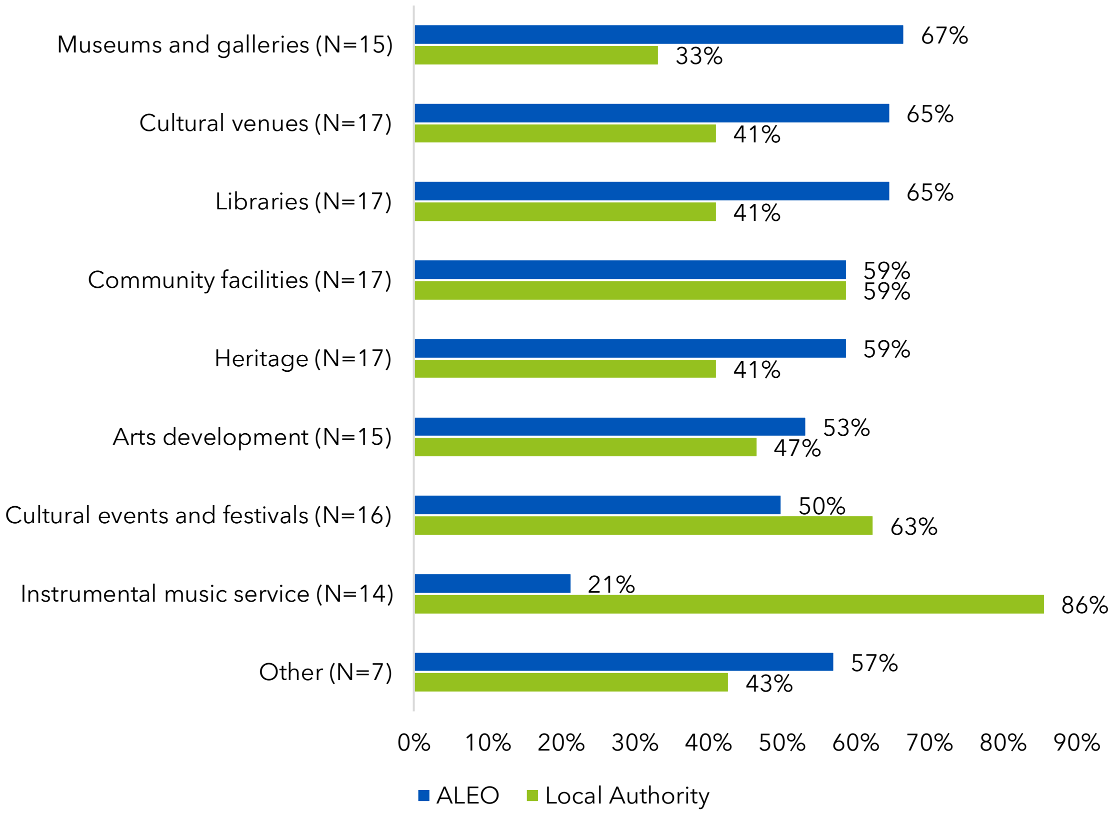
ALEOs were asked what service areas they are responsible for delivering with option to also specify where the local authority was also responsible for delivery. It should be noted that, in some instances, both ALEOs and local authorities are responsible for cultural services together.

Regarding cultural services, ALEOs most commonly deliver the following services (**Figure C.1**):

- Museum and galleries (67%)
- Cultural venues (65%)
- Libraries (65%)
- Community facilities (59%)
- Heritage (59%)

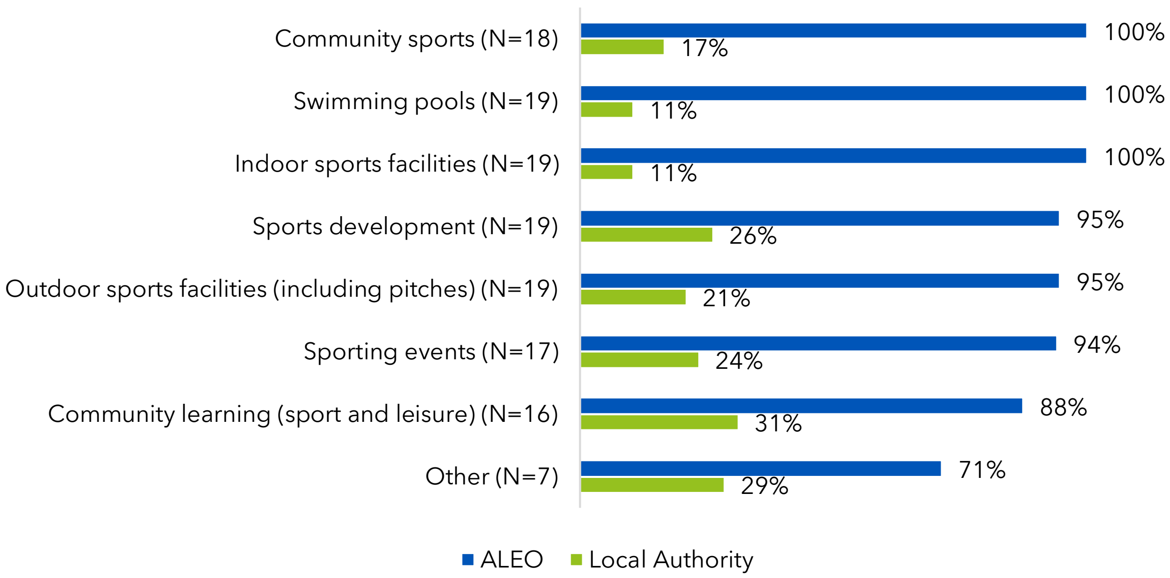
For sport and leisure services, ALEOs mostly have sole responsibility for these services, particularly for community sports, swimming pools, and indoor sports facilities, **Figure C.2**.

Figure C.1: % of ALEOs that deliver culture services by service area



Note: Multiple responses were allowed, as a result, totals may be greater than 100%. Other included visitor attractions, archives and record management, conventions, and community learning.

Figure C.2: % of ALEOs that deliver leisure services by service area



Note: Multiple responses were allowed, as a result, totals may be greater than 100%. Other included active schools, volunteering and youthwork, exercise referrals, adult learning, and countryside rangers.

Strategic Priority

The majority of ALEOs reported that they have a strategy for sport and leisure (80%), with over half (60%) stating they have a strategy for culture, **Figure C.3**. Just under half of ALEOs (45%) have strategies for both sport and leisure and culture.

Figure C.3: Culture and sport and leisure within the local authority

N=20. Note: Multiple responses were allowed, as a result, totals may be greater than 100%.

Financial Overview

As financial information was not provided by all ALEOs in response to the survey, there are some data gaps within this section. Fuller analysis of financial information, which is based on Scottish Local Government Finance Statistics (SLGFS), is included within **Chapter 3**.

Culture Expenditure

In 2022/23, capital expenditure for three ALEOs ranged from £10,000 to £100,000 for culture services with an average of around £50 million, **Table C.2**. Revenue expenditure ranged from £740,000 to £13.15 million with an average of £5.96 million. Average total expenditure for culture was £5.98 million across nine respondent ALEOs.

Sport and Leisure Expenditure

In 2022/23, capital expenditure ranged from £10,000 to £1.42 million for sport and leisure services, with an average of around £560,000. Revenue expenditure was higher and ranged from £2.27 million to £12.63 million, with an average of £7.35 million. Average total expenditure for leisure was £7.65 million across 14 respondent ALEOs.

Table C.2: What was your actual (net) expenditure for culture and leisure in 2022/23? (£000s)

Culture	Min (£)	Max (£)	Avg. (£)	Sum total	Base
Capital	£10	£100	£50	£150	3
Revenue	£740	£13,150	£5,960	£47,710	8
Total	£740	£13,250	£5,980	£47,860	9
Leisure	**Min (£)**	**Max (£)**	**Avg. (£)**	**Sum total**	**Base**
Capital	£10	£1,420	£560	£4,440	8
Revenue	£2,270	£12,630	£7,350	£102,960	14
Total	£2,270	£14,050	£7,650	£107,030	14
Culture and leisure total (if not split in any way)	£3,300	£9,740	£6,250	£25,010	4

Figures have been rounded to nearest 10,000.

Table C.3 below shows that there have been slight increases in net revenue expenditure for culture and sport and leisure for 2021/22 and 2022/23. However, caution is advised as base numbers change across each year.

Table C.3: What was your net revenue expenditure for 2021/22 and 2022/23 broken down across the following broad categories? (£000s)

Culture	2021/22					2022/23				
	Min (£)	Max (£)	Avg. (£)	Sum total	Base	Min (£)	Max (£)	Avg. (£)	Sum total	Base
Direct provision (venues and facilities)	£270	£33,650	£6,930	£62,330	9	£740	£40,560	£8,410	£75,720	9
Grants to third parties (professional)	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	0
Grants to third parties (voluntary)	£20	£130	£60	£180	3	£30	£120	£60	£180	3
Community arts development activities	£30	£920	£350	£1,740	5	£20	£1,110	£390	£1,930	5
Events and festivals	£20	£1,230	£490	£1,470	3	£20	£1,480	£580	£1,750	3
Museums/heritage activities	£40	£8,170	£1,440	£10,070	7	£40	£9,850	£1,650	£11,550	7
Capital expenditure	£20	£570	£290	£590	2	£10	£100	£50	£150	4
Other	£400	£6,730	£3,170	£9,510	3	£640	£7,700	£3,850	£11,550	3
Leisure	**2021/22**					**2022/23**				
	Min (£)	Max (£)	Avg. (£)	Sum total	Base	Min (£)	Max (£)	Avg. (£)	Sum total	Base
Direct provision (facilities)	£0	£24,830	£6,480	£103,690	16	£980	£29,940	£7,730	£115,930	15
Grants to third parties (professional)	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	0
Grants to third parties (voluntary)	£10	£10	£10	£10	1	£10	£10	£10	£10	1
Community sports development activities	£110	£1,910	£760	£9,060	12	£50	£2,300	£800	£9,550	12
Sporting events	£1,010	£1,010	£1,010	£1,010	1	£1,220	£1,220	£1,220	£1,220	1
Capital expenditure	£10	£490	£150	£1,170	8	£10	£1,420	£520	£3,150	6
Other	£750	£2,880	£1,710	£6,840	4	£160	£2,790	£1,120	£4,470	4

Figures rounded to the nearest 10,000. Other culture included: community learning, Macmillan Cancer Support, youthwork, adult education, and archives. Other leisure included: exercise referral, health and wellbeing programme, pensions, furlough and externally funded projects

Changes since pre-pandemic

All ALEOs reported changes in their budget for culture and sport and leisure since the pre-pandemic years (2013-2019 and 2022/23) - 60% reported an increase (although this is likely linked to new services) while 40% stated that their budget has decreased, **Figure C.4**.

Figure C.4: Has your budget for culture and sport and leisure changed since the pre-pandemic years (2013-2019 and 2022/23)?

N=20

In terms of culture, the most common areas that ALEOs reported a decrease or no change in budget was community arts development activities (100%) and capital expenditure (100%), **Table C.4**. Other key decreases included for management fee received from local authority (47%), earned income (38%), and direct provision for venues and facilities (36%). ALEOs primarily reported budget increases in cultural services for events and festivals (45%) and grants to third parties (voluntary) (45%).

Table C.4: Please provide more details on how your budget for culture has changed since the pre-pandemic years (2013-2019 and 2022/23)

	Increased	Decreased	No Change	Decreased or no change
Community arts development activities (N=7)	0%	14%	86%	100%
Capital expenditure (N=8)	0%	13%	88%	100%
Grants to third parties (professional) (N=9)	22%	22%	56%	78%
Earned income (N=8)	25%	38%	38%	76%
Management fee received from local authority (N=15)	27%	47%	27%	74%
Direct provision (venues and facilities) (N=11)	36%	36%	27%	63%
Museums/heritage activities (N=9)	44%	33%	22%	55%
Events and festivals (N=11)	45%	27%	27%	54%
Grants to third parties (voluntary) (N=11)	45%	27%	27%	54%

ALEOs were also asked to provide details on their budget changes for sport and leisure since the pre-pandemic years (2013-2019 and 2022/23), **Table C.5**. ALEOs most commonly reported budget increases for:

- Earned income (67%)
- Direct provision (facilities) (63%)
- Community sports development activities (62%)

On the other hand, many ALEOs reported budget decreases in the following areas:

- Management fee received from local authority (53%)
- Capital expenditure (38%)

The majority of ALEOs (89%) reported no change to their budgets for grants to third parties (professional) and grants to third parties (voluntary) since the pre-pandemic years.

Table C.5: Please provide more details on how your budget for sport and leisure has changed since the pre-pandemic years (2013-2019 and 2022/23)

	Increased	Decreased	No Change	Decreased or no change
Grants to third parties (voluntary)	0%	11%	89%	100%
Capital expenditure	8%	38%	54%	92%
Grants to third parties (professional)	11%	0%	89%	89%
Sporting events	42%	17%	42%	59%
Management fee received from local authority	42%	53%	5%	58%
Direct provision (facilities)	63%	25%	13%	38%
Community sports development activities	62%	23%	15%	38%
Earned income	67%	33%	0%	33%

Base numbers ranged from 9 to 19.

Half of the ALEOs surveyed (50%) have had to make savings in both culture and sport and leisure services since the pre-pandemic years. Only 10% of ALEOs stated that they have not had to make savings in either culture or sport and leisure services.

Table C.6 provides detail on how ALEOs have made savings in culture budgets since pre-pandemic and how they plan to make savings in the future. Similar to the findings for councils, a significant number of ALEOs made savings in culture budget by reducing staff costs through operational efficiencies (e.g., workforce scheduling) (83%) and natural wastage (67%). Two-thirds of ALEOs (67%) also reduced the scale of some cultural services while retaining others.

For future savings, most ALEOs will continue these recent trends as well as increasingly look to changing pricing/charging policies and property rationalisation. One-third of ALEOs reported that they have already closed facilities with 45% indicating they plan to close facilities in the future.

Table C.6: Pre-pandemic changes and future changes planned to make savings in culture budget

	Pre-Pandemic change (n=12)	Future change (n=11)
Reduced staff costs through operational efficiencies (e.g. workforce scheduling)	83%	55%
Reduced staff costs through natural wastage	67%	73%
Reduced the scale of some services while retaining others	67%	55%
Reduced opening hours in some facilities	58%	45%
Reduced back office costs or jointly delivering back office services with other organisations	42%	45%
Property rationalisation	42%	64%
Closed some facilities altogether	33%	45%
Changing pricing/charging policies	33%	55%
Reduced staff costs through voluntary redundancies	25%	36%
Removed some services altogether	25%	45%
Alternative delivery mechanisms	25%	36%
Reduced the scale (scope, reach, frequency, etc) of services across the board	17%	27%
Reduced staff costs through pay freezes/cuts	8%	0%
Reduced staff costs through compulsory redundancies	8%	0%
Outsourced some services (or elements of services)	0%	18%

Question allowed for multi-choice options to be selected.

Similar to culture, the most common sport and leisure savings made since pre-pandemic (**Table C.7**) have been in reduced staff costs through operational efficiencies (65%) – over half of respondent ALEOs forecast that this will continue. A relatively high proportion of ALEOs have already made savings by changing their pricing/charging policies. In addition to these recent methods of saving, ALEOs will increasingly look to reduce the scale of some services while retaining others. Facility closures have again been used by around one-third of ALEOs.

Table C.7: Pre-pandemic changes and future changes planned to make savings in leisure budget

	Pre-Pandemic change (n=20)	Future change (n=16)
Reduced staff costs through operational efficiencies (e.g. workforce scheduling)	65%	56%
Changed pricing/charging policies	60%	56%
Reduced staff costs through natural wastage	55%	50%
Reduced opening hours in some facilities	50%	44%
Reduced the scale of some services while retaining others	45%	56%
Reduced back-office costs or jointly delivering back office services with other organisations	40%	38%
Closed some facilities altogether	35%	31%
Reduced staff costs through voluntary redundancies	30%	25%
Property rationalisation	20%	31%
Removed some services altogether	20%	44%
Alternative delivery mechanisms	20%	25%
Reduced the scale (scope, reach, frequency, etc) of services across the board	15%	25%
Reduced staff costs through pay freezes/cuts	15%	0%
Reduced staff costs through compulsory redundancies	10%	0%
Outsourced some services (or elements of services)	0%	6%

Question allowed for multi-choice options to be selected.

Staffing levels

ALEOs were asked about staffing levels over the past three years, for both culture and sport and leisure services, **Table C.8**.

Regarding culture services, many ALEOs reported that the number of posts has reduced for a range of areas, particularly within management, such as:

- Senior Management (60%)
- Operational Staff (53%)
- Facility Managers (53%)
- Front of House (facilities) (50%)

Table C.8: In which areas of culture services have there been increases or decreases in staffing levels over the last three years (e.g. arts development, sports development)?

	No. of posts has reduced	No. of posts has stayed the same	No. of posts has increased	Don't know
Senior Management	60%	20%	0%	20%
Operational Staff	53%	20%	7%	20%
Facility Managers	53%	27%	0%	20%
Front of House (facilities)	50%	21%	7%	21%
Support Staff (e.g. admin, finance etc.)	40%	33%	7%	20%
Education and Outreach staff	36%	36%	0%	27%
Museum Curators/Collections management roles	31%	54%	0%	15%
Business development staff (including marketing)	27%	40%	13%	20%
Arts Development	25%	50%	8%	17%
Other specialists	11%	56%	11%	22%

Base numbers ranged from 9 to 15

As for leisure (**Table C.9**), ALEOs have most commonly reduced staffing levels in the following areas:

- Operational Staff (79%)
- Senior Management (53%)
- Arts Development (47%)

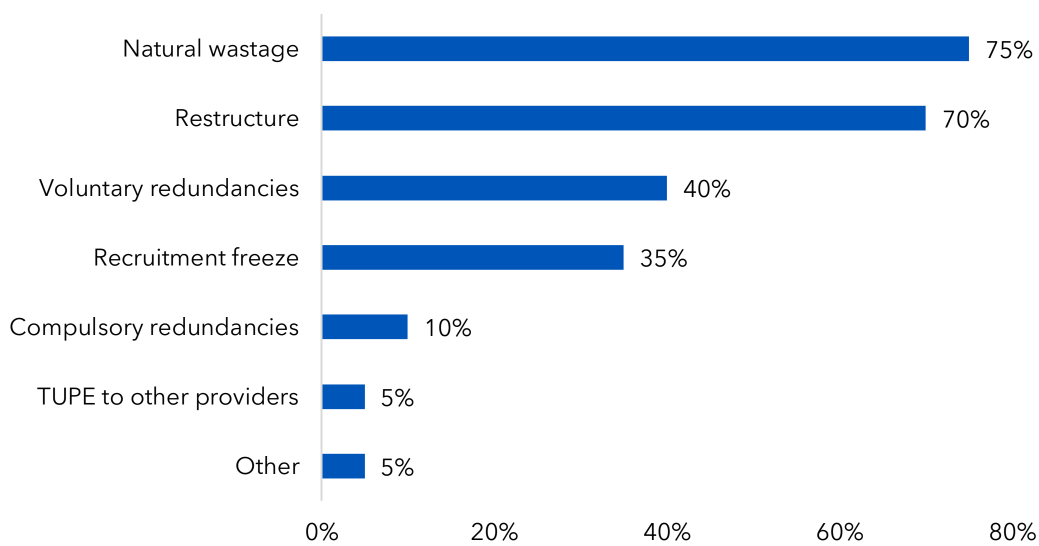
Though, over one-quarter of ALEOs (26%) have seen an increase in the number of business development staff (including marketing).

Table 5.9: In which areas of sport and leisure services have there been increases or decreases in staffing levels over the last three years (e.g. arts development, sports development)?

	No. of posts has reduced	No. of posts has stayed the same	No. of posts has increased	Don't know
Operational Staff (N=19)	79%	16%	5%	0%
Senior Management (N=19)	53%	47%	0%	0%
Arts Development (N=17)	47%	35%	12%	6%
Education and Outreach staff (N=11)	45%	27%	9%	18%
Support Staff (e.g. admin, finance etc.) (N=18)	44%	39%	17%	0%
Front of House (facilities) (N=18)	39%	61%	0%	0%
Facility Managers (N=19)	37%	58%	5%	0%
Museum Curators/Collections management roles (N=17)	35%	53%	6%	6%
Business development staff (including marketing) (N=19)	32%	42%	26%	0%
Other specialists (N=1)	0%	0%	0%	100%
Other (N=0)	0%	0%	0%	0%

Those who faced reductions in the number of posts were asked how this was achieved, three-quarters reported that this was achieved via natural wastage (75%), followed by restructuring (70%), **Figure C.5**.

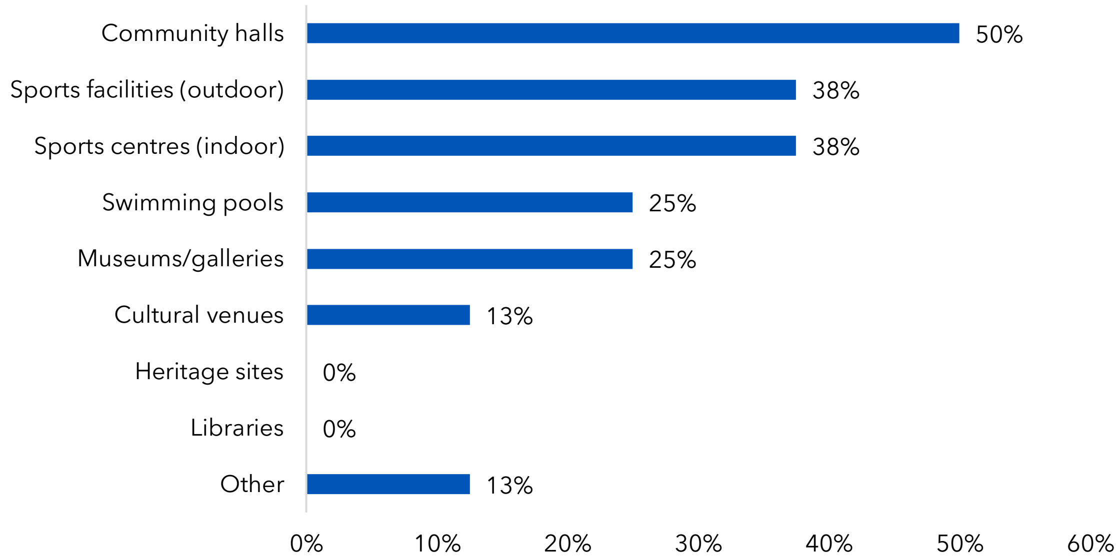
Figure C.5: If the number of posts (in any area) has reduced, how was this achieved?



N=20
'Other' includes altering staff duties.
Note: Multiple responses were allowed, as a result, totals may be greater than 100%.

Community halls have faced the greatest number of closures with 24 closing across four local authority areas, **Figure C.6** and **Table C.10**. Most prominently, one ALEO accounted for three-quarters of these closures – with 18 community halls closing (75%).

Figure C.6: If you have closed facilities, please tell us which kind.



N=8
Note: Multiple responses were allowed, as a result, totals may be greater than 100%.

Table C.10: If you have closed facilities, please tell us how many.

	No. of ALEOs	Total number
Community halls	4	24
Museums/galleries	2	1
Sports centres (indoor)	2	4
Cultural venues	1	1
Swimming pools	1	0
Sports facilities (outdoor)	1	3
Other	1	1
Libraries	0	0
Heritage sites	0	0

Other = 'bowling'. One ALEO represented more than half of reported community hall closures from ALEOs.

Impact of Changes

ALEOs were asked about what the impact of changes to budgets/staffing/facilities for culture services in their area has been – see **Table C.11** below.

The below sets out the areas in which respondents reported that there had been a net positive and net negative impact.

Positive impact:

- Cost of delivering services (43%)
- Service efficiency (38%)
- Ability to deliver on local priorities and targets (31%).

Negative impact:

- Ability to deliver on local priorities and targets (46%)
- Ability to target/engage those most in needs (e.g., deprived areas) (46%)
- Quantity/range of services available (31%)
- Intensity or frequency of services (31%)
- Local economic impact (31%)
- Cost of delivering services (31%)

Table C.11: What has been the impact of these changes in budgets/staffing/facilities for culture services in your area?

	A positive impact	No impact	A negative impact	Don't know
Cost of delivering services	43%	29%	7%	21%
Service efficiency	38%	8%	31%	23%
Ability to deliver on local priorities and targets	31%	15%	46%	8%
Ability to target/engage those most in need (e.g. deprived areas)	23%	23%	46%	8%
Quantity/range of services available	23%	46%	15%	15%
Partnership working	23%	31%	23%	23%
Reputation in the community	15%	38%	31%	15%
Local economic impact	15%	31%	23%	31%
Satisfaction of users	15%	38%	31%	15%
Quality of services provided	8%	38%	23%	31%

Intensity or frequency of services	0%	38%	31%	31%

Base numbers ranged from 13 to 14.

Table C.12, below, shows the impact of changes to budgets/staffing/facilities on sport and leisure services. Important points to note include:

Positive impact:

- Cost of delivering services (65%)
- Service efficiency (61%)
- Partnership working (41%)

Negative impact:

- Ability to target/engage those most in need (e.g. deprived areas) (44%)
- Ability to deliver on local priorities and targets (35%)
- Quantity/range of services available (35%)
- Intensity or frequency of services (35%)

Table C.12: What has been the impact of these changes in budgets/staffing/facilities for sport and leisure services in your area?

	A positive impact	No impact	A negative impact	Don't know
Cost of delivering services	61%	28%	11%	0%
Service efficiency	65%	0%	29%	6%
Partnership working	41%	41%	12%	6%
Quantity/range of services available	35%	47%	18%	0%
Ability to deliver on local priorities and target	29%	35%	35%	0%
Quality of services provided	29%	35%	24%	12%
Ability to target/engage those most in need (e.g. deprived areas)	22%	33%	44%	0%
Satisfaction of users	22%	39%	33%	6%
Local economic impact	18%	41%	24%	18%
Reputation in the community	12%	53%	35%	0%
Intensity or frequency of services	6%	47%	35%	12%

Base numbers ranged from 17 to 18

Future Outlook

Over three-quarters of ALEOs (77%) expect they will need to make savings within their culture budget over the next three years with the remainder unsure. ALEOs who reported that they will need to make savings were asked to quantify the extent of savings. Responses (n=9) ranged from 5% to 15%, with an average of 8%.

Similarly, around three-quarters of ALEOs (74%) expect they will need to make savings within their sport and leisure budget over the next three years – 16% stated that they will maintain spend at current levels with the remaining 11% unsure. Some respondents provided an estimate (n=12) which ranged from 5% to 20% with an average of 11%.

Table C.13: How do you expect your culture budget will change over the next three years?

	Culture (n=13)	Sport and Leisure (n=19)
We will need to make savings	77%	74%
We will maintain spend at current levels (i.e. no change)	0%	16%
Our budget will increase	0%	0%
Don't know	23%	11%

N=13

Respondents were asked how their local authority expects specific areas of cultural activity to be affected over the next three years, Many ALEOs expect that they are going to have to reduce the scale of a number of their cultural activities, most commonly:

- Cultural events and festivals (50%)
- Arts development (36%)
- Heritage (36%)

However, ALEOs many are unsure of how these activities will be impacted over the next three years or expect there to be no change to the way they currently deliver these activities – **Table C.14**.

Table C.14: How do you expect specific areas of cultural activity within the authority to be affected over the next three years?

	Reduced in scale	Reduced opening hours	Closed facilities	Stopped altogether	Increase	No change	Don't know
Cultural events and festivals	50%	0%	0%	0%	20%	10%	20%
Arts development	36%	0%	0%	0%	9%	27%	27%
Heritage	36%	0%	0%	0%	9%	36%	18%
Libraries	31%	15%	8%	0%	0%	23%	23%
Cultural venues	31%	8%	8%	0%	15%	23%	15%
Grants to voluntary organisations	30%	0%	0%	10%	0%	40%	20%
Community facilities	25%	0%	17%	0%	8%	25%	25%
Museums and galleries	17%	8%	0%	0%	17%	42%	17%
Instrumental music service	0%	0%	0%	0%	11%	22%	67%

Base numbers ranged from 9 to 13.

Feedback regarding the impact on sport and leisure activities is varied. Those who expect to see negative changes to areas of sport and leisure activity within their local authority, predominantly see this affecting the scale, particularly for sports development and community programmes (29%). However, around one quarter of ALEOs report that they will see increases in these areas (24%) – see **Table C.15** below.

Table C.15: How do you expect specific areas of sport and leisure activity within the authority to be affected over the next three years?

	Reduced in scale	Reduced opening hours	Closed facilities	Stopped altogether	Increase	No change	Don't know
Sports development (N=17)	29%	0%	0%	0%	24%	29%	18%
Community programmes (N=17)	29%	0%	0%	0%	24%	29%	18%
Sports facilities (outdoor) (N=18)	28%	6%	0%	0%	6%	39%	22%
Sporting events (N=18)	28%	0%	0%	0%	22%	28%	22%
Active Schools (N=17)	24%	0%	0%	0%	0%	41%	35%
Grants to voluntary organisations (N=16)	19%	0%	0%	0%	0%	50%	31%
Pitches (N=18)	17%	0%	6%	0%	11%	44%	22%
Sports facilities (indoor) (N=20)	15%	15%	0%	0%	15%	35%	20%
Other (N=4)	50%	0%	0%	0%	0%	50%	0%

Changes in budget/staffing levels for the planning and management of culture services will impact ALEOs in different ways across different factors, **Table C.16**. Notably, around two-fifths of ALEOs expect these changes will have a positive impact on:

- Partnership working (38%)
- Service efficiency (38%)
- Cost of delivering services (38%)

Contrastingly, the same proportion of ALEOs expect these changes to negatively impact their:

- Ability to deliver on local priorities and targets (38%)
- Ability to target/engage those most in need (e.g. deprived areas) (38%)
- Quality of services provided (38%)
- Intensity or frequency of services (38%)

Table C.16: What will be the impact of any changes in budgets/staffing levels for the planning and management of culture services (or from having a standstill resource) on the following...?

	A positive impact	No impact	A negative impact	Don't know
Ability to deliver on local priorities and targets	15%	15%	38%	31%
Ability to target/engage those most in need (e.g. deprived areas)	15%	15%	38%	31%
Quality of services provided	15%	15%	38%	31%
Intensity or frequency of services	8%	23%	38%	31%
Cost of delivering services	38%	0%	31%	31%
Quantity/range of services available	15%	15%	31%	38%
Local economic impact	15%	23%	31%	31%
Partnership working	38%	15%	23%	23%
Reputation in the community	15%	31%	23%	31%
Satisfaction of users	8%	31%	23%	38%
Service efficiency	38%	15%	15%	31%

N=13

Changes in budget/staffing levels for the planning and management of sport and leisure services will have varying impacts for ALEOs across different factors (**Table C.17**). Over half of ALEOs feel that these changes will negatively impact:

- Quantity/range of services available (63%)
- Ability to deliver on local priorities and targets (58%)
- Ability to target/engage those most in need (e.g. deprived areas) (53%)
- Quality of services provided (53%)

Contrastingly some ALEOs feel that it will have a positive impact on the cost of delivering services (47%) and service efficiency (39%).

Table C.17: What will be the impact of any changes in budgets/staffing levels for the planning and management of sport and leisure services (or from having a standstill resource) on the following...?

	A positive impact	No impact	A negative impact	Don't know
Quantity/range of services available	5%	26%	63%	5%
Ability to deliver on local priorities and targets	11%	21%	58%	11%
Ability to target/engage those most in need (e.g. deprived areas)	11%	21%	53%	16%
Quality of services provided	5%	37%	53%	5%
Reputation in the community	5%	32%	47%	16%
Satisfaction of users	5%	32%	47%	16%
Intensity or frequency of services	5%	32%	42%	21%
Local economic impact	5%	32%	42%	21%
Cost of delivering services	47%	6%	35%	12%
Partnership working	26%	26%	32%	16%
Service efficiency	39%	33%	22%	6%

Base number ranged from 17 to 19.

When asked to rate the importance of criteria in influencing decisions about how and where to achieve any budget savings, almost all respondents across culture and leisure services considered the scale of potential cost savings (94% and 92%) and political priorities (86% and 92%) to be very important or important, **Table C.18**.

Table C.18: Percentage of respondents who rated that the following criteria will be 'very important' or 'important' in influencing decisions about how and where to achieve any required budget savings for culture and sport and leisure services

	Culture	Sport and Leisure
Scale of potential cost savings	94%	92%
Political priorities	86%	92%
Possible impact on the wellbeing of users and communities	94%	84%
Availability of alternatives	89%	84%
Statutory duties	83%	84%
Income generation potential	84%	77%
National policy guidance	80%	77%
Influence of partners	73%	69%
Relationships with Trade Unions	70%	69%
Senior management procedures	46%	47%

Base number ranged from 12 to 18.

Future Challenges

The most commonly identified future challenge for ALEOs related to reduced resources to support culture and/or sport and leisure, particularly for revenue (culture: 92%; sport and leisure: 84%) and capital resources (culture 75%; sport and leisure 74%), **Table C.19**. Other main challenges for culture included reduced partner resources and reduced staff resources.

Respondents were asked to rate the top three challenges. This feedback mirrors that given in **Table C.19**.

Table C.19: Which of the following challenges, do you think you may face as an authority in the delivery of culture and leisure services in future?

	Culture (n=12)	Sport and Leisure (n=19)
Reduced revenue financial resources	92%	84%
Reduced capital resources	75%	74%
Reduced partner resources	67%	74%
Reduced staff resources	75%	63%
Competing priorities among partner organisations	50%	58%
Limited capacity to response to changing circumstances	50%	58%
Limited statutory response	42%	63%
Lack of skills and expertise	58%	47%
Reduced income from services	50%	53%
Competing priorities – internal	50%	42%
Limited political support for culture/leisure at a local level	33%	47%
Other	17%	11%

'Other' includes: having very few culture services delivered by the ALEO, and recruitment and retention of staff.

In contrast to the LA survey, feedback was mostly positive when respondents were asked to rate the ability of their ALEO to meet these future challenges, **Table C.20**.

Table C.20: Overall, how would you rate your ability as an organisation to meet these future challenges?

Rating of ALEO to meet future challenges	%	Why do you say this?
Good	70%	• Experienced and strong management team with expertise which will allow for planning for and adapting to challenges. • Some ALEOs are currently in a good position financially (see comment in Chapter 6) and feel that, as such, they could handle potential challenges. • Strong relationships with local authorities, delivery partners and funding partners.
Neither/nor	20%	• The future is uncertain • Efficiency reviews are ongoing
Not good	10%	• Facilities are ageing and degrading • Lack of investment available from partners to adopt a whole systems approach to improving health and wellbeing.

N=12

ALEOs were asked what type of help they would need to help tackle these challenges. Responses varied, though common points included:

- Greater funding resources and financial support
- Greater/continued support from the local authority
- Political advocacy – highlighting the contribution of culture and leisure make towards social, economic and public health policy outcomes.

ALEOs were given a list of factors which may help their authority meet these challenges, they were asked to rate these from one (most important) to 13 (least important). Three-quarters (75%) of ALEOs rated 'increased financial resources' within their top three most important factors, this was followed by:

- Sport and leisure as a statutory service (45%)
- Increased staff resources (40%)
- Increased priority for sport and leisure (40%)

Final Comments

Some ALEOs left some final comments, these varied from comments regarding the survey to providing further information on previous responses/their culture and/or leisure services.

Other feedback included focus on the specific situations of ALEOs within their local authorities, discussing their size and scale, as well as the impact of the COVID-19 pandemic.

Few ALEOs highlighted the need to have the role of culture and leisure recognised, in regard to their contribution towards various economic, social and public health priorities. They note that political advocacy and stakeholder support are necessary in improving this recognition.

Summary

Key points:

- All ALEOs reported changes in their budget for culture and sport and leisure since the pre-pandemic years (2013-2019 and 2022/23) – 60% of ALEOs reported an increase (although this is likely linked to new services) while 40% reported a decrease.
- Most leisure ALEOs reported increase in budget in terms of earned income, direct provision (facilities), and community sports development. Management fees received from local authority and capital expenditure were the main areas which had a decrease or no change in budget across cultural and leisure ALEOs.
- Compared to the pre-pandemic years, half of the respondents ALEOs have had to make savings in both culture and sport and leisure services. A significant proportion of ALEOs made savings by reducing staff costs through operational efficiencies (e.g., workforce scheduling).
- Most staffing reductions were achieved through natural wastage and restructure. The most affected areas of staffing reductions have been senior management, operational staff, facility managers and front of house staff.
- In contrast to the LA survey, ALEOs have already commonly looked to reduce opening hours in facilities and changed their pricing/charging policies.
- Indeed, around one-third of ALEOs have closed some facilities altogether with community halls bearing the brunt of these closures followed by sports facilities (indoor and outdoor). This will likely worsen as almost two-thirds of cultural ALEOs include property rationalisation in their plans to achieve budget savings.

- Feedback from ALEOs suggests that these changes in budget and staffing levels have had mixed impact. The main negative impacts have been the ability to deliver on local priorities and targets, and to target/engage those most in need. Almost two-thirds of leisure ALEOs reported that there had been a positive impact on the cost of delivering services and service efficiency.
- Looking to the future, around three quarters of ALEOs expect to make future savings for culture (77%) and sport and leisure services (74%). It is anticipated that cultural services areas most affected will be cultural events and festivals, arts development and heritage.
- For leisure, almost one-third of ALEOs report that sports development, community programmes, sports facilities (outdoor) and sporting events will reduce in scale.
- Any further savings and changes in budget or staffing levels would have a negative impact on ability of cultural ALEOs to deliver on local priorities and targets, ability to target those most in need, as well as reduce the quality and intensity of leisure services provided (all 38% of ALEOs). It should be noted that these are much lower proportions compared to feedback from LAs in their survey.
- The most commonly identified future challenge for ALEOs related to reduced resources to support culture and/or sport and leisure, particularly for revenue (culture: 92% of respondents; sport and leisure: 84%) and capital resources (culture 75%; sport and leisure 74%) as well as reduced staff and partner resources.
- Compared to LAs, ALEOs were much more likely to highly rate their ability as an organisation to meet these future challenges (70% very good or good compared to 33% very good or good for LAs).
- Respondents were asked what kind of help, if any, they may need to tackle these challenges. Responses were varied although included common points such as greater funding resources and financial support, greater/continued support from the local authority, and political advocacy to highlight the contribution of culture and sport and leisure towards social, economic and public health policy outcomes.