

Citizen Participation and Public Petitions Committee

9th Meeting, 2022 (Session 6), Wednesday
18 May 2022

PE1912: Funding for council venues

Note by the Clerk

Lodged on	14 October 2021
Petitioner	Wendy Dunsmore
Petition summary	Calling on the Scottish Parliament to urge the Scottish Government to provide the necessary additional revenue to local councils to run essential services and venues.
Webpage	https://petitions.parliament.scot/petitions/PE1912

Introduction

1. The Committee last considered this petition at its meeting on [19 January 2022](#). At that meeting, the Committee agreed to write to Local Authority Chief Executives.
2. The petition summary is included in **Annexe A** and the Official Report of the Committee's last consideration of this petition is at **Annexe B**.
3. The Committee has received new responses from Angus Council, North Ayrshire Council, Argyll and Bute Council, COSLA, North Lanarkshire Council and Fife Council which are set out in **Annexe C**.
4. Written submissions received prior to the Committee's last consideration can be found on the [petition's webpage](#).
5. Further background information about this petition can be found in the [SPICe briefing](#) for this petition.

6. The Scottish Government's initial position on this petition can be found on the [petition's webpage](#).

Action

The Committee is invited to consider what action it wishes to take.

Clerk to the Committee

Annexe A

PE1912: Funding for council venues

Petitioner

Wendy Dunsmore

Date lodged

14/10/2021

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to provide the necessary additional revenue to local councils to run essential services and venues.

Previous action

Our efforts have been focussed on Glasgow so far. We have set up meetings with Glasgow MSPs and MPs. Several attended to understand the threat to services and jobs.

The unions have also written to the Cabinet Secretary for Finance and the Cabinet Secretary for Social Justice, Housing and Local Government on 26 July 2021 and received a response on 5 October 2021.

Meetings have also taken place with a number of Glasgow City Council councillors. In addition, a number of meetings have also been set up with Glasgow City Council and Glasgow Life (the organisation established by the council to run its venues and provide some of its essential services). Further meetings are taking place throughout Scottish Local Authorities to adequate fund local government to meet their duty of care to the citizens of Scotland.

Background information

The joint trades unions Unite, GMB and Unison believe that the closure of sports and cultural venues by local authorities will negatively impact on the physical and mental health of their citizens.

We recognise this as a further demonstration and direct consequence of the inadequate funding which is being allocated to local government and see this decision as a retrograde step in the drive to improve the healthy life expectancy of the citizens.

We therefore demand, as a matter of urgency, that the Scottish Government provide the necessary additional revenue to local councils to run these essential services, otherwise local people will be deprived of important venues which contribute to improved healthy life expectancy as well as social cohesion and inclusion.

Annexe B

Extract from Official Report of last consideration of PE1912 on 19 January 2021

The Convener: PE1912, on funding for council venues, has been lodged by Wendy Dunsmore. It calls on the Scottish Parliament to urge the Scottish Government to provide councils with the necessary additional revenue to run essential services and venues.

It is worth noting that the SPICe briefing on the petition, the Scottish Government’s submission and the petitioner’s submission were all written before the Scottish Government budget 2022-23 was published, which happened on 9 December 2021. Key points from a separate SPICe briefing on local government finance that was produced following the budget’s publication include the facts that, once additional revenue and capital grants are factored in, the total local government settlement increased by £603 million, or 5.1 per cent, between 2021-22 and 2022-23; and that there will be a real-terms increase in provisional revenue allocations for all local authorities, except Western Isles Council, Shetland Islands Council and Orkney Islands Council, which all experience small real-terms reductions.

In his submission, the Minister for Public Finance, Planning and Community Wealth highlights the 2021-22 settlement of £11.7 billion, stating that it provided “a cash increase” in local government spending. The petitioner’s submission is a collective response to the minister from Unite, Unison and the GMB. Although they recognise that local authorities make decisions about service provision and delivery, they note that those decisions are not without “unfair challenges caused by a real terms reduction of funding”.

The petitioner’s submission also points out that, as much of the £11.7 billion settlement figure is ring fenced for Scottish Government commitments, it is therefore “not technically available” for local authority spending decisions.

I invite comments from colleagues

Paul Sweeney: The issue of council finances is a long-running one. It has been a picture of long-term decline, certainly over the past decade—I think that the overall figure is that, on average, 10p in every £1 that a council in Scotland has to spend has been cut over that period. Bearing in mind that 80 per cent of a council’s budget is set by the Scottish Government, the power in relation to council budget decisions lies largely with central Government. Only 20 per cent of a council’s finances can be raised through local charges and the council tax. Therefore, local government’s capacity to generate its own income is constrained.

Furthermore, as the SPICe report points out, there has been an increase in the level of ring fencing—that is, in the slice of a council’s budget that has strings attached, which means that it cannot be used on a discretionary basis or has to be displaced

from existing budget lines and used to deliver Scottish Government-mandated projects. In effect, that is a way of funding central Government priorities indirectly through stealth, by displacing existing budget demands on local government.

That compounds the financial pressure that councils face. I accept that the latest figures from SPICe require updating but, from what I can discern, the pressure on local government has not relented. That is indicated by the recent reports that every council leader in Scotland from across the parties has written to the First Minister to request an emergency meeting to discuss council financing. That indicates that, regardless of party affiliation, this is a major issue confronting local government. Through COSLA, the leaders of all 32 councils have sought an emergency meeting with the First Minister to discuss the issue.

The acuteness of the matter has not abated, so the concerns that have been raised are valid. It would be worth while seeking information on the latest figures and impacts. We should also take a longer-term view of local government finance.

What I find problematic in the minister's response to the committee is the fact that absolute figures in isolation do not illustrate the problem. We have to consider the percentage position relative to previous years. Also, looking at the issue in cash terms in isolation is not necessarily helpful, when we have seen an inflationary spiral in the past year and significant pressures on wages are likely in the next financial year. All those things need to be properly unpacked and considered, rather than just throwing figures at us that sound impressive on the face of it but do not give the full context.

I am not entirely convinced by the response. On that basis, I think that there is merit in continuing the petition to gather further evidence.

The Convener: Thank you for that comprehensive contribution. As no other member wishes to come in, I think that we want to thank Wendy Dunsmore for her petition, which we are going to keep open. Mr Sweeney identified a series of stakeholders from whom we will seek views on the issues that are raised in the petition. Do members agree to proceed on that basis?

[Members indicated agreement.]

Annexe C

Angus Council submission of 11 February

2022

PE1912/C: Funding for Council Venues

I refer to your request for a response from Angus Council in relation to the above petition.

Sports and cultural venues in Angus are operated by the ANGUSalive which is an arms-length organisation owned by the Council. The legal ownership of the facilities is retained by the Council and a license to occupy has been agreed with ANGUSalive. The portfolio of venues covers Libraries, Museums, Town Halls, Sports Centres and Country Parks, delivering a range of related services for our citizens and visitors to Angus.

Funding arrangements to local government have required substantial changes to ANGUSalive organisationally over recent years and the impact of the pandemic on income generation, along with projected future savings required in line with Council budgetary constraints, has led to a transformational change programme being initiated to address the medium to longer term sustainability of the organisation as a going concern.

The period of recovery since the initial lockdown has seen the return of most venues into operation, albeit this has been based on reduced opening hours on a temporary basis. This has been considered and agreed by the Council's elected members, taking cognisance of the exceptional circumstances and impact on the ANGUSalive business model. Two museum venues have not re-opened but are now planned to re-open in spring this year on a seasonal basis. Three other venues are currently being used as vaccination centres to support the national health service roll out of the vaccination programme across Angus, and alternative solutions are currently being investigated to return these to ANGUSalive operation when this is possible.

The funding situation for the Council generally is extremely challenging. This factor, compounded with the impact of the pandemic on citizens, has inevitably resulted in previous approaches to service delivery

requiring transformation with new ways of working needed to meet changing societal demands, while being sustainable into the future. In Angus, that transformation is therefore looking at improved partnership arrangements with healthcare services and sports/ outdoor adventure activities, promoting a shift towards a preventative culture focussed on improving health and wellbeing, while creating new opportunities for income growth.

The Council and ANGUSalife are working closely together to manage the situation which has been essential in the circumstances. I hope this provides a helpful overview regarding the position in Angus which will assist with your deliberations on this matter.

North Ayrshire Council submission of 11 February 2022 PE1912/D - Funding for Council Venue

I am writing in support of Petition 1912- Funding for council venues. North Ayrshire Council has repeatedly called for fair funding for local authorities in partnership with other councils and COSLA.

North Ayrshire Council is faced with financial challenges in setting the Budget, having made approximately £118million of cuts over the 12 years and pressures of rising demand and cost of services. Council budgets contain difficult choices.

Cultural, community and leisure services are highly valued by communities and demonstrably contribute to mental health, physical fitness and community wellbeing. These Council venues provide local access to spaces and support for community cohesion; vital meeting space for those addressing addictions, fitness and health; and access to learning, reading and digital services.

North Ayrshire Council has recognised the need to change and modernise services with the partnership and consent of communities. The Community Empowerment (Scotland) Act 2015 has seen the successful community asset transfer of centres and library services have been refreshed to adjust to changing needs and habits, with the introduction of multi-service, community hubs and improved digital library services. Community facilities work in partnership with Community

Associations through a Community Contract to increase their ability to operate buildings independently.

In conclusion, North Ayrshire Council calls for additional funding to support the continued operation of these facilities whilst recognising the opportunities through the community empowerment act and changes in societal behaviours to evolve provision that meets the needs of our communities and residents.

Argyll and Bute Council submission of 18 February 2022

PE1912/E - Funding for Council Venues Submission by Argyll and Bute Council

Like many other Scottish Councils, Argyll and Bute has established an organisation to run venues and provide some of its essential services – Live Argyll.

Community Leisure UK (Scotland) is the representative body of Scotland's public leisure and culture charities have stated -

'Scotland's public leisure and culture charities have weathered the storm of the last 21 months of the pandemic due to support through the Coronavirus Job Retention Scheme and from local authority partners. Prior to the discovery of the Omicron variant, recovery after reopening has been slow and community return to public leisure and culture facilities had plateaued, both sectors reporting a 60-80% return rate.'

'We fully support the Scottish Government's focus on public health and safety, and have seen our members across the country support vaccination centres, testing sites and ensuring they go above and beyond the requirements to ensure safe and welcoming environments for their customers. However, the lack of clarity from the Scottish Government in terms of messaging, particularly around reducing social contact while venues remain open is creating confusion and anxiety, both for the public and for operators.'

Argyll and Bute Council would generally agree with these sentiments.

As an operator of facilities reliant on public subsidy Argyll and Bute Council and Live Argyll would support any request for additional resources which are targeted at ensuring the longer term sustainability of our facilities and venues.

Throughout the pandemic Live Argyll have been able to access support via the UK Government furlough scheme as well as successfully accessing support funds via Creative Scotland's performing arts venue relief fund. Whilst this support is very much welcomed it should be noted that the financial outlook remains uncertain with consumer confidence adversely impacted and changing user behaviour thus directly impacting income generation levels.

Like many businesses and organisations Argyll and Bute Council and Live Argyll are exposed to significant cost pressures and income risks. Local Authority resources are under extreme pressure and there are many competing priorities. Public leisure and cultural services will play a crucial role in post pandemic physical and mental health well-being recovery therefore it is essential that Councils are adequately resourced to be able to deliver and meet public expectations.

In conclusion, Argyll and Bute Council supports the principle that adequate revenue funding is provided to Councils to permit the ongoing delivery of these important services, which contribute in many different ways to the wellbeing of individuals and communities.

COSLA submission of 18 February 2022

PE1912/F - Funding for Council Venues

The Convention of Scottish Local Authorities (COSLA) is the voice of Local Government in Scotland. We are a Councillor-led, cross-party organisation which champions Councils' vital work to secure the resources and powers they need to deliver effectively. COSLA works on Councils' behalf to focus on the challenges and opportunities they face, and to engage positively with Governments and others on policy, funding and legislation.

Cultural and leisure services are critical to the wellbeing of individuals and communities and have huge physical and mental health benefits. These services play a significant role in preventing poor health outcomes and as such, their closure will have wider negative impacts on

physical and mental health. These services are critical to addressing the social determinants of health, along with other core Local Government services such as roads, transport, housing, parks and youth work. Cultural and leisure services are also significant contributors to local and national economies and the maintenance of, and access to, these services and venues is also critical to address inequality, poverty and improved educational attainment.

Local Government has been under significant and sustained financial challenge over the past decade. Councils have seen a real terms reduction in core funding. Ring-fencing, national policy initiatives and protections in education and health and social care continue to mean that Councils have limited flexibility over local spend and unprotected areas, including cultural and leisure services and venues, are subject to a higher proportion of cuts. Evidence from the Local Government Benchmark Framework shows that over a period of 8 years before the pandemic the investment in the collective cultural area decreased by nearly a quarter. Councils and the Arms Length External Organisations (ALEOs) that deliver cultural services have sought to manage these budget reductions in ways that minimise the impacts on services but the cracks are starting to show.

Additional funding of £120m for Local Government has been announced for 2022/23; however, the 2022/23 Scottish Budget still demonstrates a £251m real terms cut in core funding. It should also be noted that this additional £120m funding is not recurring. The Budget also does not take into account inflation, pay, increased demand and significantly this year rising costs such as energy. Sustainability of these services therefore remains challenging for both Councils and the ALEOs.

Cultural and leisure services across all Council areas have also been badly affected by the COVID-19 pandemic, with most culture and leisure services unable to operate either at all or at usual capacity for the last 22 months. COSLA has worked to identify the level of income lost across services in Local Government including ALEOs. This was estimated to be around £200m for all ALEOs and direct cultural and leisure services in 2020/21, increased from earlier estimates due to restrictions needing to be strengthened and in place for longer. This represents 30-90% of budget for some organisations and services depending on structure and service offer. It is not expected that service usage will return to pre-pandemic levels, and therefore income, for a number of years as behaviour has been impacted by the pandemic. The pandemic will also

have affected service user behaviour and service delivery in some, as yet, unquantifiable ways.

Given the erosion of Councils' core funding, it is anticipated this lost income will need to be addressed through efficiencies and service redesign – meeting future pay awards will compound this challenge.

There needs to be fair funding to Local Government to enable ongoing and sustainable investment in culture and leisure services to support recovery and ensure wider benefits such as physical and mental health are enjoyed by communities. This must be a critical part of 'whole system' thinking, and about addressing the social determinants of health. Local Government and the wider public sector are anticipating significant challenges over the next few years as we recover from the pandemic, which is likely to place additional pressures on budgets. It is therefore critical that Local Government is sustainably funded to deliver all of the services, which should be recognised for the value that they add to our communities and to recovery.

COSLA submitted to a response to the Constitution, Europe, External Affairs and Culture Committee's Funding for Culture consultation, which considered these issues in more detail. The full response can be found here: [Response 122994077 to Funding for Culture - Scottish Parliament - Citizen Space](#)

North Lanarkshire Council submission of 18 February 2022 PE1912/G - Funding for Council Venues

North Lanarkshire Council fully supports the position on the importance of culture and sport provision to local communities. It is understood and accepted that culture and sport have a significant impact on society with four key impacts on improved health, reduced crime, increased social capital and improved education outcomes.

In support of the Culture Strategy for Scotland and sportscotland's Sport for Life programme, North Lanarkshire Council has a strategic framework which places culture and sport at the heart of plans for community support and the overall Plan for North Lanarkshire. Overall, the framework delivers support to:

- Health and wellbeing
- The local economy
- Education
- Reducing inequality
- And supporting our commitment to working with local communities.

Since returning from ALEO status to North Lanarkshire Council, significant progress has been made in each of these key areas. Working with NHS partners, direct support has been provided to those with physical and mental wellbeing conditions with life changing results. Within the council, we work with colleagues to provide direct support to those most vulnerable residents, ensuring we listen to our community and provide the services they really need in a way that suits them.

Overall, we understand that services must respond to changes in society and in keeping with our overall direction as set out within the Plan for North Lanarkshire and our Delivering for Communities model, we are working to ensure our delivery model for the future aligns with plans for the forthcoming Town and Community Hub model and takes services to the heart of our communities. This may mean delivering services in a different way or from different locations.

While this ongoing review will seek to ensure that culture and sport services operate as efficiently as possible, we recognise the importance of ensuring proper investment to maximise community benefit. However, the competitive and volatile market faced by local government operated venues and facilities makes existing income targets challenging and investment options limited.

As COSLA's ['Live Well Locally'](#) campaign highlights, local government is 'key to creating the conditions for improved health and wellbeing' with local government services critical to addressing the social determinants of health (including leisure and recreation). With rising cost pressures linked to increasing demand for services, general inflation and challenging financial settlements from the Scottish Government it is becoming increasingly difficult to maintain current levels of service provision across all areas of local government activity.

To ensure councils can achieve balanced budgets and to continue to comply with Scottish Government directions on implementation of national policies, savings have to be taken from areas that have

elements of non-statutory or discretionary service provision. Unfortunately, that includes areas such as the provision of culture, sport and leisure services.

While no local authority wants to make savings in these areas, the continuing lack of fair funding for all council services as highlighted in COSLA's 'Live Well Locally' campaign requires difficult and often unpalatable decisions to be made about the level of services provided within local communities.

Fife Council submission of 22 February 2022 PE1912/H - Funding for Council Venues

Fife Council recognises the issues raised in this petition. This response sets out the challenges faced by Fife Council in maintaining and running venues, providing essential services and local jobs.

We share the view put forward by the trade unions that the closure of sports and cultural venues, or a reduction in the services provided from these venues, will negatively impact on the physical and mental health and wellbeing of our citizens. Cultural and leisure services are significant contributors to local and national economies and the maintenance of, and access to, these services and venues is critical to address inequality, poverty and improved educational attainment. This is particularly the case as we develop people and places approaches, and implement our plans for recovery as we emerge from the Covid-19 pandemic and encourage citizens back into these venues.

A planned capital investment programme has a direct improvement on the physical and mental wellbeing of local people by ensuring the provision of state-of-the-art sport, leisure, cultural and community facilities. Our capital investment programme in Fife achieves this, but is reliant on external match funding to supplement the resources available within the Council's budget. Recent investments have included an additional £7.5m for sports and leisure facilities and £3.5m for arts and culture venues across the region as well as funding from Government, **sportscotland**, and national governing bodies.

Such essential capital investment must be complemented by revenue funding to ensure the continued provision of essential services in all our venues. From this perspective, changes required to balance budgets, along with increasing demand for services, have led to a reduction in community-based provision across Fife, with many operations now

running with significantly less resource than previously. In some cases, the staffing for front line service delivery is under-resourced for the scale of provision that is on offer and in demand from local people. Individual facility budgets have become stretched, and often overspent, in order to maintain service delivery requirements and meet customer expectations.

Pressure on revenue budgets has impacted on service delivery, including the closure of some services and a reduction in the operation of others in terms of hours, days, and weeks per annum. It is therefore challenging to provide the flexibility needed to respond to emerging community needs within our facilities, particularly service provision outside core operational periods. Additional costs have to be borne by service users through increased prices, and becomes prohibitive for some of our most vulnerable users.

Fife Council operates many large venues and facilities, often in old or ageing buildings. Energy costs are already high and current increases in prices will significantly impact on budgets and the financial viability of buildings and services. Fife Council continues to proactively review opportunities to enhance existing, or create new facilities, both directly managed/operated and in partnership with our arm's length external organisations (ALEOS) and community groups in order to minimise revenue costs. It is important that venues remain cost efficient and fit-for-purpose. Area and place-based programming, as well as community asset modelling, allow us to consider the options for streamlining budgets and protecting frontline services; and while this identifies some buildings for closure, many are also earmarked for refurbishment and co-location opportunities.

Fife Council has a resourced, structured, and ongoing programme of maintenance and upgrade for the existing portfolio of sports, leisure, cultural and community facilities. This aims to ensure that buildings continue to meet demand, while maintaining DDA and other health and safety requirements. However, the lack of capacity in revenue budgets, despite careful management, can lead to spaces within venues being closed for periods due to the lack of funding for essential repairs and maintenance. Additional revenue funding would combat the need for these short-term closures or reductions in services.

The loss of income over the past two years has meant that the repair and maintenance backlog for existing buildings and venues is increasing, with an inability to always provide pro-active maintenance across our estate. The result is a negative impact on the functionality of

some venues, the viability of assets, their visual appearance, and therefore appeal, as well as on the ability to meet customer expectations and needs.

In addition, Councils have to make difficult funding decisions based on both national and local priorities, such as addressing climate change, tackling the growing prevalence of flooding and, of course, the impact of covid lockdowns. Funding having to be diverted to other priorities can lead to some communities being better served than others and a need for additional revenue funding to bring venues to a point where they provide a fit-for-purpose, modern service reflecting the needs and demands of local expectations.

For these reasons, Fife Council urges the Scottish Government to provide the necessary additional revenue to local Councils to effectively run essential services and venues locally.