Local government performance

Spotlight on culture and leisure services

ACCOUNTS COMMISSION

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Contents

Accessibility

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Key facts

13	Councils with a single trust delivering leisure and culture services
10	Councils with either a leisure trust, a culture trust or both
£675m	Council net revenue spending on culture and leisure services in 2023/24, a three per cent decrease in real terms since 2018/19
£118m	The amount of money councils raised by charging for culture and leisure services in 2023/24, a 27 per cent increase in real terms since 2018/19
£9.9m	Culture and leisure savings approved by councils for 2025/26
44m	The number of visits to libraries in Scotland in 2023/24, the same as in 2018/19
43m	The number of visits to sports facilities in 2023/24, a 21 per cent decrease since 2018/19
15m	The number of visits to museums in 2023/24, a 25 per cent increase since 2018/19

Key messages

1. Despite councils now spending more on delivering services, spending on culture and leisure services, such as libraries and sports facilities, reduced by three per cent in real terms between 2018/19 and 2023/24. The level of services offered, and how they are provided, is a decision for individual councils, with most choosing to provide some services using an arm's-length external organisation (ALEO).
2. There is an increasing reliance on charging people to use these services, and a mixed picture of community consultation and the use of Equality Impact Assessments when considering service changes, such as potentially closing facilities or increasing charges.
3. The provision of culture and leisure services is important to help improve longer-term physical and mental wellbeing, linked to activity across a range of other services, and reducing them risks deepening inequalities.
4. There is a general lack of comprehensive and comparable data available to assess the performance of culture and leisure services. Limitations within the Local Government Benchmarking Framework data, beyond attendance and satisfaction indicators, currently makes it difficult to monitor how effectively culture and leisure services are contributing to improving outcomes.

Commission expectations

Culture and leisure services play an important role in supporting positive outcomes, supporting health and wellbeing, and in prevention. Reducing these services can have a disproportionate impact on vulnerable members of society.

As a Commission, we place reliance on the Local Government Benchmarking Framework (LGBF) to inform our view of how councils are performing across key services. We welcome the work the sector is currently undertaking to strengthen indicators and improve its usefulness.

It is already apparent that financial pressures and rising demand have begun to impact the performance of frontline services. Without a better understanding of how individual services interact to support longer-term outcomes, it becomes increasingly difficult to make informed budgetary decisions that support the sustainability of council services.

In order to make informed decisions about the longer-term costs that may be associated with reducing accessible culture and leisure services, councils must work collaboratively with the wider public sector, as well as partners in the private and third sectors. They must strengthen their understanding of the possible longer-term effects of the decisions they are taking now to address financial pressures.

Councils should:

- ensure that public consultations and effective Equality Impact Assessments, that appropriately consider longer-term outcomes, are undertaken when considering proposed changes to eligibility criteria for accessing services, and new or existing service charges (paragraphs 32 and 34).
- continue to proactively engage with the Improvement Service and other partners to expand the range of culture and leisure service indicators beyond satisfaction, attendance and cost metrics, better reflecting the important role these services play in prevention and in support of health and wellbeing outcomes (paragraph 43).
- ensure council services are supported by clear, balanced and transparent local performance reporting and monitoring that can respond to, and capture the impact of, service transformation and wider reform (paragraph 49).

Introduction and methodology

Introduction

1. This report is part of a series of outputs produced by the Accounts Commission that, taken together, provide an independent overview of the local government sector. It follows our annual briefing on local government budgets, looking at the decisions councils took when setting their annual budgets; and will be followed by our annual financial bulletin, looking at the financial performance and position of councils.

2. The report focuses on a particular council service area, this year providing a spotlight on culture and leisure services. It looks at how councils are delivering these services, including the use of culture and leisure trusts, and considers performance in this important service area over time. Privately operated culture and leisure services are not considered within the report.

Methodology

3. To analyse spending we are making use of the Scottish Local Government Finance Statistics (LGFS) that are published annually by the Scottish Government. Previously, councils used pre-defined service categories to record their spending, but council accounts are now prepared in-line with their own corporate structures, so some services may be shown together in the accounts. By using the standardised LGFS information to analyse spending across specific service areas, we hope to provide a consistent national trend of spending on specific services, and to aid comparability across councils. The service level expenditure within LGFS also more closely and consistently aligns to the service categories defined within the LGBF. The funding councils receive from external sources, such as sportscotland or Creative Scotland, are reflected within overall council spending on culture and leisure services.

4. Within this report we also make use of information previously submitted to us by councils and auditors when preparing the Local government in Scotland: Financial Bulletin 2023/24 and Local government budgets 2025/26 briefing. Alongside Provisional Outturn and Budget Estimates (also submitted to the Scottish Government by councils) this allows us to consider the decisions taken by councils, and the impact on specific services, when setting their 2024/25 and 2025/26 budgets. Auditors are currently carrying out audits of councils' 2024/25 accounts.

5. When looking at financial trends, we convert some figures to real terms. The most recent LGFS relate to 2023/24 and we have adjusted financial information from past years into 2023/24 prices to take account of inflation so that trend information is comparable. To do this we use gross domestic product (GDP) deflators, which are published quarterly by HM Treasury. GDP deflators are the standard approach adopted by both the UK Government and Scottish Government when analysing public expenditure.

Culture and leisure services

Background

6. The Accounts Commission regularly reports on the financial challenges facing councils across Scotland. Our **Financial Bulletin 2023/24** and **Local government budgets 2025/26 briefing** outlined the challenging financial climate that all councils are operating within. In recent years, councils have been consistently reliant on implementing measures to balance their budgets, including increasing council tax. Asking the public to pay more for local services raises a greater expectation on the performance of councils in delivering local services. At the same time, councils have been identifying savings, closing public facilities, and raising the fees and charges for accessing some services such as culture and leisure facilities.

Financial Bulletin 2023/24 highlighted that councils are becoming increasingly reliant on identifying savings which becomes progressively more difficult year-on-year.

Local government budgets 2025/26 briefing identified a range of actions being taken by councils to address budget gaps. These included raising council tax rates, identifying savings, drawing on reserves and increasing or introducing charges for accessing some services.

Culture and leisure services play an important role in prevention

7. Councils deliver a range of culture and leisure services. While offerings such as museums, galleries, and other cultural programmes often reflect the unique traditions of local communities, services like libraries and leisure facilities are commonly provided across council areas. As part of our first service spotlight report, we have decided to look at these services given the important contribution they provide in supporting longer-term outcomes, promoting wellbeing and preventing health issues.

8. High-quality culture and leisure services align with the Scottish Government's and Convention of Scottish Local Authorities' (COSLA's) Scotland's Population Health Framework 2025-2035, which prioritises taking preventative action to improve health outcomes. Culture and leisure services help improve physical and mental wellbeing through providing accessible health and learning opportunities, easing the pressures on public bodies by reducing overall demand and associated costs. Reducing culture and leisure services can disproportionately impact certain groups within communities, particularly people with a protected characteristic.

9. It is also important to recognise the interdependencies that exist across council services, and how they support outcomes. Reductions in one service area may lead to a decline in outcomes which initially appear linked directly to other performance indicators. For example, reductions in library services could be seen as related primarily to educational attainment outcomes, but may also disproportionately impact older people and outcomes that are closely aligned to adult social care indicators. This can make it difficult to directly attribute changes in performance to individual budget and spending decisions.

Councils must ensure adequate leisure, culture and library services, but the level of provision is decided locally

10. Councils have statutory responsibilities to deliver some services, such as education, social care and housing, to a defined standard. They also receive specified funding to support national outcomes and priorities. But the exact proportion of spending on individual services will vary across councils. This reflects local priorities, commitments and decisions, as well as wider factors such as rurality and the demographics of local populations.

11. There is less clarity over how councils must meet their statutory requirement to ensure there is an adequate provision of leisure, cultural and library services. Several reports explain the impact of this lack of clarity, including variation in the level of services provided across Scotland and the differing ways these services are delivered.[1]

12. Whereas some **statutory services** have been prioritised when councils set their budgets, others like culture and leisure have been expected to contribute proportionately more to delivery of the savings required. Our Local government budgets 2025/26 briefing explains how councils are implementing savings measures to ease their financial pressures, and we explore this further in paragraph 31.

Spending on culture and leisure services has reduced, despite overall spending increasing

13. Overall, there has been an increase in councils' day-to-day spending on services over the last six years. Councils' **net revenue expenditure** increased in real terms by £1.7 billion (13 per cent) between 2018/19 and 2023/24.

14. In 2023/24, councils spent £14.8 billion across key council services with spending on education and social work representing around 78 per cent of this total. Councils' spending on education increased by 13 per cent in real terms between 2018/19 and 2023/24, with spending on social work services increasing by 17 per cent over the same period. Much of this increased spending, however, can be attributed to increasing staff costs, with these accounting for around 70 per cent of total expenditure, and recent high inflation contributing to other costs increasing (Exhibit 1, page 10).

15. Spending on culture and leisure services, referred to as culture and related services within the LGFS, represents a relatively small proportion of overall council spending, approximately five per cent in 2023/24.

The Improvement Service (IS) and Society of Local Authority Chief Executives (Solace) are leading on work to clarify the **statutory services** that councils must provide and the discretionary services that many also deliver. This work is being carried out as part of the wider transformation programme they are leading, and aims to inform a future operating model for councils as they respond to wider financial challenges. This work is due to conclude in late 2025.

Net revenue expenditure refers to the amount of money councils spend on delivering services from their funding or reserves, adjusted for any spending supported via other means, such as income from fees and charges. It excludes any capital spending.

Exhibit 1.

Councils' net revenue expenditure, in real terms, has been increasing

Most of councils' spending is on providing education and social care services, in line with statutory responsibilities.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Culture and Related Services	699	657	675	671	689	675
Roads and Transport	460	434	529	458	455	452
Environmental Services	824	812	842	815	798	811
Building, Planning and Development	251	226	254	284	261	263
Central Services	421	931	449	411	360	691
Non-HRA Housing	383	307	316	329	341	339
Trading Services	-42	-42	-33	-33	-26	-41
Social Work Services	3,943	4,106	4,104	4,324	4,543	4,604
Education Services	6,146	6,328	6,046	6,645	6,852	6,960
Total General Fund (£ millions)	**13,085**	**13,757**	**13,541**	**13,904**	**14,273**	**14,755**

Note: Net revenue expenditure reflects day-to-day spending funded by general funding or reserves. Real-terms analysis, with financial information adjusted to 2023/24 prices.

Source: Local Government Finance Statistics 2018/19 to 2023/24, Scottish Government

Net revenue spending on culture and leisure services, however, reduced by £24 million in real terms between 2018/19 and 2023/24 (three per cent), despite overall expenditure on council services increasing.

16. Some service areas within culture and leisure services have faced more significant funding cuts than others:

- Total council spending on library services reduced by around six per cent in real terms from 2018/19 to 2023/24, whereas spending on museums and galleries increased by nine per cent over the same period. Satisfaction levels for libraries and for museums and galleries have declined over the long term.
- From 2018/19 to 2023/24, council spending on sport and recreation reduced by three per cent. Spending on sports facilities increased by six per cent over this period, but, at the same time, less was spent by councils on parks and open spaces and countryside management. Satisfaction levels with leisure services have declined over the long term and attendances are still below pre-pandemic levels (paragraphs 38 and 39).

Many councils use an arm's-length external organisation (ALEO) to deliver services, which can impact how they monitor performance

17. How councils choose to deliver culture and leisure services is decided locally, and different councils adopt different models of delivery, reflecting local circumstances:

- Twenty-three councils use **ALEOs** to help deliver either their culture services or leisure services. Thirteen councils have a single trust helping to deliver both and ten councils have either a leisure trust, a culture trust or operate both separately. The council pays a management fee and transfers the management of facilities, and the employment of staff, over to the ALEO.
- Other culture and leisure services are delivered directly by councils. This 'in-house' delivery model provides councils with direct control and management in delivering local services.[2]

18. As outlined in the Accounts Commission's Councils' use of arm's-length external organisations report published in 2018, there were a range of financial benefits that influenced the decisions made when ALEOs were established (Exhibit 2, page 12). All ALEOs are different, with a range of factors impacting oversight arrangements including how they were initially set up and the council's own governance and committee structures.

An arm's-length external organisation (ALEO) is a term used to describe an organisation that a council has set up to deliver certain services. They are separate from the council but are still subject to its control and influence.

Culture and leisure ALEOs were set up as charitable trusts to allow them to benefit financially from charitable grants and donations, and certain tax exemptions, such as non-domestic rates reliefs.

In 2017, the Barclay Review of non-domestic rates recommended an end to the rates relief offered to ALEOs. The Scottish Government retained this for existing ALEOs, but introduced measures to prevent automatic exemptions for any newly created ALEOs, and any existing ALEOS that were subsequently expanded.

Exhibit 2.
Factors that may influence a council's decision to set up an ALEO

Business case assumption	Factors for councils to consider
ALEOs bring financial benefits through tax advantages, commercial trading and new funding opportunities	ALEOs bring financial benefits through NDR relief, new funding and wider commercial trading. Charitable status encourages donations and volunteering. The ALEO model safeguards against contract over-pricing as any surpluses can be retained in the public sector. **However, points to bear in mind:** There are uncertainties about whether new sources of income will continue over the longer term. For example: • Taxation benefits, eg NDR and VAT are subject to change. • Future income is affected by market forces. • Grants and new funding tend to be one-off, time limited or project specific; and there is increasing competition for them.
ALEOs bring strong identity, focus and responsiveness	Direction through an ALEO board can be more immediate and responsive than through a larger council body that has competing demands for attention. An ALEO's defined purpose, separate identity, and contractual obligations give a clear focus on performance. ALEO boards bring greater diversity and specialist expertise; ALEOs can compete to attract workforce talent. **However, points to bear in mind:** Councils can achieve similar benefits when ALEOs are not involved: • Councils can create a service identity and focus, for example through setting up separate business units with a distinct brand. • Councils already attract external expertise, eg through partnership working, and joint boards or committees. • Outsourcing can also bring expertise and specialisms to the benefit of the service.
ALEOs can bring workforce flexibility and efficiencies	ALEOs have brought new and improved practice in areas of workforce deployment. They have negotiated more flexible employment terms, for example to extend opening hours; and make use of casual staff and volunteers. **However, points to bear in mind:** • The best performing councils also demonstrate good workforce management and practice. These features are not unique to ALEOs. • Planned changes in an ALEO may be limited by expectations over workforce terms and conditions. • Financial pressures in an ALEO may impact on its ability to uphold terms and conditions including access to pensions. • If an ALEO is brought back into the council any differences in terms will need to be harmonised.

Source: Councils' use of arm's-length organisations, Accounts Commission, 2018

19. Governance structures must ensure the council retains a degree of oversight and control over services delivered on their behalf by an ALEO. Common ways for councils to retain oversight over an ALEO include:

- ALEOs having elected members that serve on their boards. All culture and leisure ALEOs include council representation on their boards. The level of council representation, however, varies and depends on how the organisation was established. For example, East Ayrshire Leisure has seven council representatives on its 13-member board, five of whom are councillors and two of whom are senior officers (with no voting rights, therefore maintaining the ALEO's independence).
- Councils setting out the level of funding the ALEO will receive and paying a management fee. This is typically accompanied by a set of targets and objectives that the ALEO is expected to achieve during the financial year and how they will report on progress. The service delivery contract between Highland Council and High Life Highland, for example, sets out how annual performance and annual financial targets are agreed and reported by the ALEO.
- Councils working with the ALEO to determine short- and medium-term priorities for culture and leisure services. Some councils may impose limits on the fees that ALEOs can charge to access culture and leisure services. For example, Angus Council must approve any changes ANGUSalive makes to the cost of accessing services.

The financial impact from Covid-19 has led to some councils returning certain culture and leisure services back in-house

20. Several leisure and culture ALEOs experienced financial challenges during the pandemic through a loss of income due to the withdrawal of services and closure of facilities to comply with public health restrictions. Some councils provided additional funding to help address immediate financial pressures, but the impact on the financial position of ALEOs has been a factor in the decisions taken by councils to bring some services back in-house:

- Falkirk Council provided Falkirk Community Trust with additional funding to help ease their financial pressures from the pandemic. This support prompted the council to reassess the delivery of local culture and leisure services. A review led to Falkirk Council resuming control of all culture and leisure services in April 2022.
- The closure of services during the pandemic led Scottish Borders Council to provide regular financial support to Live Borders. A review of ALEOs has resulted in the council bringing Active Schools and Sports Development services back in-house. The council believes this will allow better alignment of these services with key priorities whilst also retaining the ALEO-related benefit of non-domestic rates relief as there are no buildings associated with these services.

21. Councils must provide an objective assessment on costs, performance and quality when reviewing the use of the ALEO model to deliver culture and leisure services, ensuring any decision aligns with Best Value principles.

Culture and leisure services are funded through direct funding, based primarily on population, and by charging for access

22. Funding to councils for culture and leisure services comes from a variety of sources including from the Scottish Government. Total Scottish Government revenue funding to councils in 2025/26 is £14.1 billion, with £0.4 billion distributed on the basis of the **Grant Aided Expenditure (GAE)** for the provision of leisure and recreation services (2.9 per cent). As this forms part of the **General Revenue Grant**, it is not ringfenced, and councils have autonomy when setting their budgets for these services.

23. GAE calculations for culture and leisure services typically take into account population size and age distribution, usage rates of cultural and leisure facilities, and geographic and socio-economic factors. Within leisure and recreation services for 2025/26:

- Parks and Open Spaces received the highest amount of GAE at 31.3 per cent (£129.1 million).
- Sports Facilities and Swimming Pools, and Libraries both received around 20.8 per cent (at £85.8 million and £85.4 million respectively).
- Museums and Galleries received 7.2 per cent (£29.8 million), of which Glasgow City Council receives 43 per cent (£12.7 million).

24. The Scottish Government also provide capital funding to councils through capital grants, and councils also finance investment in physical assets through a mixture of borrowing, revenue transfers and capital receipts. The Financial Bulletin 2023/24 explains how councils are borrowing more to compensate for long-term reductions in capital funding from the Scottish Government.

25. In 2023/24, councils' total capital expenditure was £3.7 billion, of which 5.8 per cent (£209 million) was used to invest in culture and leisure services. Overall, capital expenditure within culture and leisure related services increased by 7.7 per cent from 2018/19 (£194 million) to 2023/24, although there was a 12.9 per cent annual decrease between 2022/23 (£240 million) to 2023/24.

The Scottish Government issues councils with a **General Revenue Grant (GRG)** on an annual basis to support councils' day-to-day spending. The individual council allocations of the total GRG funding are largely determined by aggregating **Grant Aided Expenditure (GAE)** calculations and projections.

GAE is a needs-based methodology used by the Scottish Government to distribute funding. It is calculated using a client-group approach which estimates the relative need for services in each council area. GAE service allocations are not spending targets or budgets and councils have discretion to allocate the majority of their GRG across services in-line with local needs and priorities.

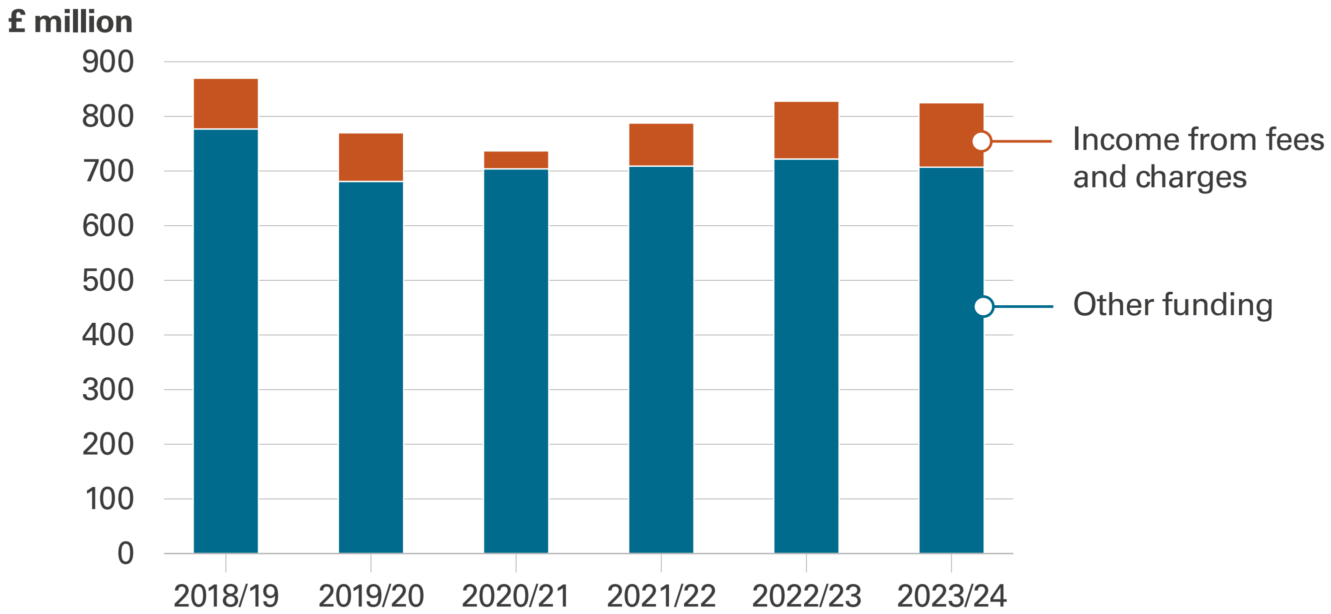
Fees and charges have been increasing as spending has been falling, and culture and leisure services are increasingly reliant upon these

26. Councils and ALEOs retain the right to generate income by charging for access to certain culture and leisure services. The income generated from increases in fees and charges has helped to offset reductions in budgeted funding and to support overall spending. The Scottish Local Government Finance Statistics (LGFS) provides information on the income from fees and charges raised by charging people to access culture and leisure services.

27. Income from fees and charges to service users increased by 26.9 per cent in real terms from 2018/19 (£92.7 million) to 2023/24 (£117.6 million). This is despite councils electing to increase charges at lower rates than the historically high inflation seen in recent years, suggesting that real terms increases are also attributable to an increase in the number of users being charged and the introduction of new charges. Despite these increases, income from fees and charges still make up a relatively small proportion of the money used to provide these services (Exhibit 3).

Exhibit 3.

The contribution of fees and charges to the funding of culture and leisure services has been increasing, but still represents a relatively small proportion of total spending



Note: Other income sources mean that the amount shown within 'Other funding' is higher than the net expenditure figures in Exhibit 1.

Source: Local Government Finance Statistics 2018/19 to 2023/24, Scottish Government

28. The sportscotland 2024/25 report on sport facility charges provides a summary of current fees and examines trends back to 2017. This is based on 31 out of 32 data submissions and used the ten most popular activities to enable comparisons over time, which gives 19 benchmark charges for comparison. It includes a range of charges for adult, juvenile and senior citizen users. The report found that most charges have seen an increase in the most recent year which continues the trend of price increases, although the rise was lower compared to previous years. In 2024, average prices within the ten most popular activities increased by 3.9 per cent compared to 10.3 per cent across the same charges in 2023. Although the overall charges have increased, when adjusted for inflation, 18 of the benchmark activities decreased with only one increasing (weekend golf for young people).

29. Councils generally proposed further increases to fees and charges as part of their 2025/26 budgets, with councils reporting this as necessary due to increased operating costs such as rising energy and staff costs. Two councils reported a larger proportionate rise in their fees and charges within leisure services since 2024/25 than others:

- Falkirk Council reported a six per cent increase in leisure charges. The council now expects to raise £5.6 million in total in 2025/26.
- Midlothian Council reported an average eight per cent increase in sport and leisure charges, with total expected income of £5.9 million in 2025/26.

Despite increases to funding and the income from charging for services, councils have overspent against budgets and are again having to identify savings within culture and leisure services

30. In 2023/24, more than half of councils' reported overspending against the budgets approved for providing culture and leisure services. Overspends were mostly attributed to falling income, cost increases and workforce pressures, with reported underspends attributed to increasing income and vacant staff posts that resulted in savings.

31. When setting their 2025/26 budgets, 19 councils agreed to make total savings of £9.9 million within their culture and leisure services. This is 4.7 per cent of the total 2025/26 savings target of £209.6 million and 1.5 per cent of the overall planned spending within culture and leisure services (£652 million). Some councils have also reduced funding or provision of services as part of recent budgets:

- Glasgow City Council, as part of their 2024/25 budget, asked Glasgow Life to identify savings within culture and leisure services. They approved reductions of £9.8 million to be delivered from 2024/25 to 2026/27. The savings target for 2025/26 is £3.7 million.

- Clackmannanshire Council reported that community councils, who play an important role in supporting culture and leisure services by using facilities, would see their funding reduce by 50 per cent. There are proposals to close local libraries and for library services to be centralised at the Speirs Centre in Alloa.
- In October 2023, following public opposition, North Lanarkshire Council reversed its decision to close 12 sport and leisure facilities it considered to be underused. In 2024 as part of a wider efficiency programme, however, the council closed one facility (Birkenshaw Sports Barn), discontinued the mobile library service, and relocated some services from Iain Nicolson Leisure Centre to a new community sports hub at Chryston High School.

Councils differ in how effectively they consult with and consider equality impacts when planning changes to services

32. An Equality Impact Assessment (EIA) is a process used by councils to examine the potential impact of policies, for example, the decision to increase the fees and charges to access a local culture and leisure facility. Public bodies must complete an EIA when proposing changes to the delivery of both new and existing services. Not adequately considering the equality impacts of such a decision, at an early stage, risks the possibility of the council exacerbating inequalities, damaging outcomes or facing a judicial review.

33. The quality of EIAs in assessing the potential impact from changes to culture and leisure services varies:

- Clackmannanshire Council's EIA for its 2024/25 budget noted the impact from increasing fees for leisure services by ten per cent, and its review of libraries, may have on vulnerable individuals. The EIA led the council to pause the decision to review libraries for 12 months to enable further consultation with groups affected. The council continued with the decision to increase fees and charges.
- Glasgow City Council's 2024/25 budget included a savings measure to review secondary school library services. The council only had limited information on the impact of the possible outcomes of this on those with a protected characteristic, but recognised they will require further information on the equalities impact as the process advances.
- Angus Council's EIA for its 2025/26 budget provided minimal information on the impact on certain groups through ANGUSalive's review of their fees and charges to access services. No prior consultation had been carried out before preparing the EIA.

34. The Accounts Commission's Local government budgets 2025/26 report underlined the importance of councils consulting with communities to explore solutions for their financial challenges. Failure to engage effectively with groups over proposed changes to services, including changes to eligibility criteria to access services, exposes councils to substantial risks, including the need to withdraw proposals or to defend legal challenges. Councils vary in the extent to which they have consulted on proposed changes to their services:

- Aberdeenshire Council announced its intention to deliver efficiencies within its library services, which was met with community opposition. The council engaged with affected communities and five of these libraries will remain in their existing buildings. Library services will be retained within the other eight local areas, either, by locating them elsewhere or in partnership with community groups and associations.
- Campaigners submitted a judicial review to challenge Aberdeen City Council's decision to close six libraries and a swimming pool. This led to the council carrying out further consultation on the saving proposals and to reverse the decision to close the swimming pool in Bucksburn.
- South Lanarkshire Council announced a proposal to reduce funding to South Lanarkshire Leisure and Culture (SLLC) by £1.5 million in 2024/25. Following community and stakeholder feedback, the level of reduction was reduced to £0.75 million. South Lanarkshire Council also created a £1 million Community Fightback Fund to help keep facilities open and a £150,000 Future Libraries Fund to support facilities while alternative service models are explored.

35. Several councils are currently reviewing their estates, often including their sport and leisure facilities. A range of options are being considered, including facility closures, consolidation of services into a central building and **community asset transfers**.

Community asset transfers are a process where councils transfer the management or ownership of public buildings or land to community organisations, often at a reduced rate.

There are examples of communities taking ownership of culture and leisure facilities to stop their closure

36. Councils are actively considering the benefits of transferring culture and leisure facilities to community groups under formal community asset transfers, but this is currently happening on a small scale. For example:

- Clackmannanshire Council are reviewing a potential asset transfer for Sauchie Hall and the Ben Cleuch Centre. This would potentially allow access to funding and investment not available to the council.
- Dundee City Council have actively been engaging in community asset transfers as part of their broader community empowerment strategy. Alternative futures for the proposed closures of Broughty Castle Museum and Caird Park Golf Course include potential asset transfers.

- Fife Council are planning for the vacant Cowdenbeath Town House to be used as a community and cultural hub which will align with their asset management strategy to divest non-operational buildings and promote community ownership.
- West Dunbartonshire Council agreed to an asset transfer, via a lease agreement, of Dalmuir Golf Course to a community-led consortium after previously announcing its closure in the 2025/26 budget.

37. It is important that councils undertake a thorough appraisal of the business case and associated risks before transferring a culture or leisure facility to a community group. This includes ensuring the group has the necessary skills, resources, and governance structures to manage the asset effectively over the long term.

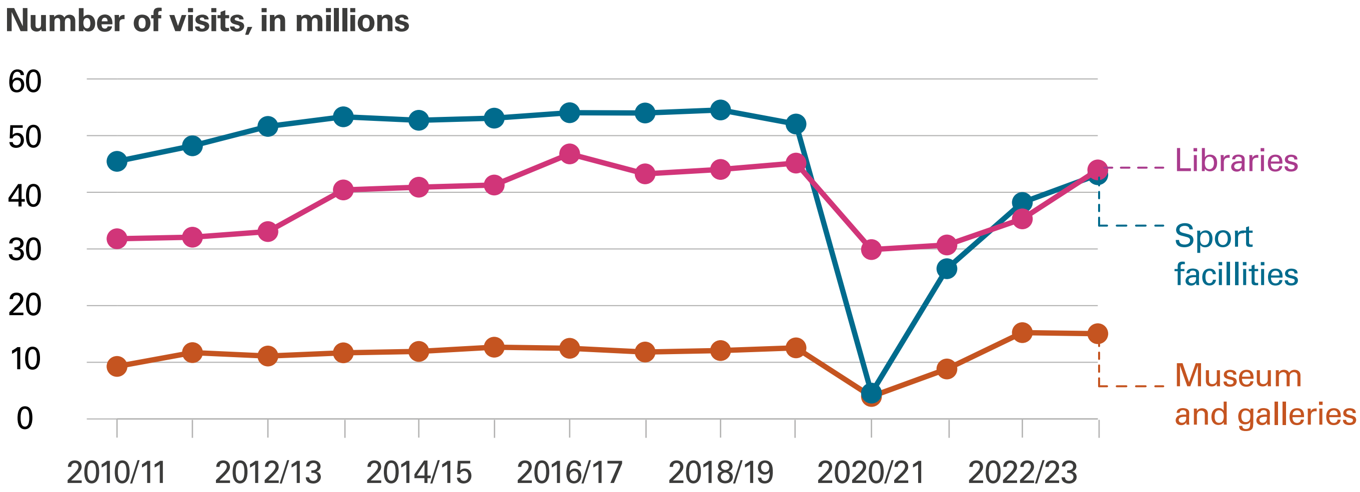
Covid-19 impacted on attendances at culture and leisure services, and recovery remains uneven

38. The pandemic forced organisations to close local culture and leisure facilities (paragraph 20), impacting on attendance numbers. Attendance levels across different culture and leisure services, and among councils, have recovered unevenly:

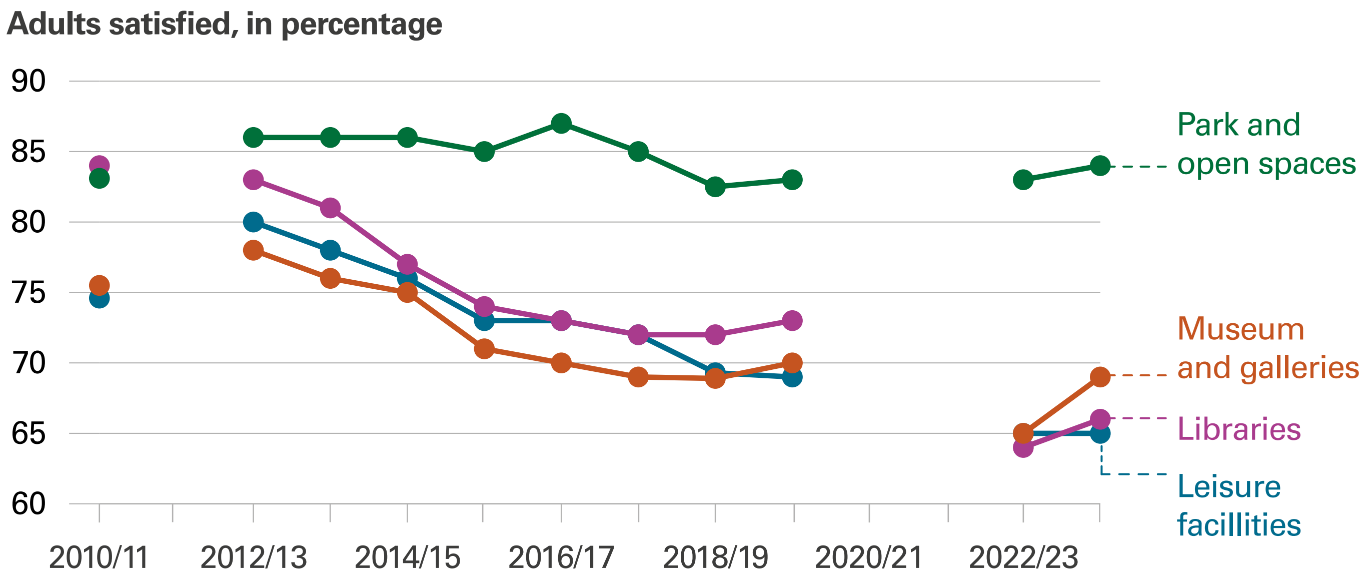
- **Libraries:** At a national level, library visits had been gradually increasing before Covid-19. They fell during the pandemic, but an increase in using digital technology to allow virtual visits helped to offset the reduction in physical visits. Nationally, the number of library visits increased in 2023/24, but they remain slightly below pre-Covid levels. There is, however, considerable variation among council areas; in four council areas library visits have more than halved since 2019/20, whereas in two council areas library visits have more than doubled over the same period.
- **Museums and galleries:** The pandemic significantly impacted on the visitor numbers to museums and galleries with fewer than four million visits across Scotland in 2020/21. Nationally, visits have now recovered, increasing by nearly 20 per cent compared to 2019/20. The picture, however, varies across Scotland, with just under half of councils recording an increase in museum visits and the rest showing decreases compared to 2019/20.
- **Leisure facilities:** Attendances at leisure facilities reduced significantly across Scotland when lockdown restrictions were in place. Although attendances have increased over the last three years, at a national level they remain 17 per cent lower than in 2019/20. Compared to 2019/20, leisure facility attendances in 2023/24 were lower in 24 council areas, with a quarter of councils still showing a decrease of 30 per cent or more (Exhibit 4, page 20).

Exhibit 4.
Visits to culture and leisure services and public satisfaction with those services

Visits to all culture and leisure services dropped during Covid-19; while visits to libraries and museums have recovered, visits to sports facilities are still much lower than pre-pandemic.



Public satisfaction with culture and leisure services has declined over the long term.



Note: Survey data collected during the Covid-19 pandemic (2020/21 and 2021/22) is not directly comparable to other years due to differences in the way it was collected, therefore it has been excluded from this chart.

Source: Improvement Service and Audit Scotland

LGBF indicators show that public satisfaction with libraries and leisure facilities has declined significantly over the long term. However, additional data is needed to fully understand the reasons for this

39. Public satisfaction with key culture and leisure services has declined, with libraries experiencing a significant 17.5 percentage point drop in satisfaction between 2010/11 and 2023/24. Satisfaction with leisure facilities and museums and galleries has also decreased since 2010/11 (by 9.6 and 6.5 percentage points respectively). In contrast, parks and open spaces have maintained high levels of satisfaction, with 84 per cent of adults expressing approval in 2023/24 (Exhibit 4).

40. LGBF satisfaction indicators, however, are based on survey data that estimate levels of satisfaction among all adults regardless of whether they use certain services. Satisfaction rates for service users are consistently higher than for the public in general, but these estimates are based on much smaller groups of survey respondents. This means that it is not possible to confidently assess service user satisfaction at council level based on the available data.

There is a lack of national culture and leisure performance data

41. While the LGBF includes some cost and satisfaction indicators for culture and leisure services, there are currently no formal national indicators on performance. Councils tend to use internally collected data, tailored to meet their own structures, to assess the performance of local culture and leisure services. It is, therefore, challenging to assess at a national level how well councils are delivering these services, where services can improve and how effectively culture and leisure is supporting agreed local and national priorities around health and wellbeing.

42. A lack of appropriate national performance information also means it is not possible to assess if the adoption of the ALEO model has positively or negatively impacted the performance of culture and leisure services, compared to the council-led delivery model (paragraph 17).

43. Work is ongoing between the LGBF board, COSLA, professional associations and councils to identify indicators that will provide a better understanding of local government's contribution to physical activity and health and wellbeing outcomes in Scotland.

44. More than ever, ongoing financial constraints, growing demand and workforce challenges underline the importance of clear, transparent and effective public reporting of council performance and decision-making. Best Value Statutory Guidance[3] and our Statutory Performance

Information (SPI) Direction[4] set out the duties that councils have regarding this and the important role that the LGBF plays in supporting this process.

45. In March 2023, the Improvement Service launched a publicly available dashboard that allows councils to explore their LGBF indicator data and compare performance against other similar councils over time. It is currently developing new dashboard functionality to provide councils with even greater flexibility in how they view this data, allowing more nuanced exploration and analysis. This new functionality is expected to be available to users of the dashboard in late 2025. Councils should support and embrace these new developments to help improve knowledge of their local area and performance reporting in general.

46. In order to support better informed decision-making in the short-, medium- and long-term, councils should work to strengthen their outcomes indicators to help clearly demonstrate the impact of their decisions on local communities. Given the cross-cutting impact of services on people and their families, it is important to take a whole-systems approach to developing these indicators. This is also key given the focus of the Verity House Agreement on better outcomes for communities with structures in place which provide accountability for delivery of these outcomes.

The need for transformation

47. The Accounts Commission's Transformation in councils report highlights the urgent need for councils to rethink and redesign how they deliver services, in order to meet growing financial pressures and rising public demand. Transformation activity is happening across all councils, with auditors currently preparing reports on this activity across all 32 councils as part of their 2024/25 audits. This work will form the basis for our next Best Value national report in 2026.

48. In the face of an increasingly difficult operating environment, councils need to consider the role services such as culture and leisure play in prevention and supporting longer-term outcomes. Councils should also be considering their role in directly providing services, and how they might encourage innovation through supporting communities to take greater ownership of culture or leisure facilities.

49. Councils' activities must be supported by clear, balanced and transparent performance reporting. This will allow councils to systemically evaluate the impact of reform and transformation of services and contribute to the wider transformation agenda being led by Solace and the Improvement Service, as well as help identify areas where the LGBF could be further improved.

Endnotes

1 A Review of the Scottish Sporting Landscape, Scottish Government, September 2019; Review of Culture and Leisure Services in Scotland, ekos, August 2024; Sports and Culture in Scotland, The Jimmy Reid Foundation, April 2025.

2 Shetlands Islands Council manages and delivers its leisure and culture services in partnership with external charitable trusts that are not classified as ALEOs

3 Best Value: revised statutory guidance 2020, Scottish Government, March 2020.

4 The Publication of Information (Standards of Performance) Direction 2021 Statutory Performance Indicators, and Accounts Commission Statutory Performance Information Direction 2024, Accounts Commission, December 2021 and December 2024.

Local government performance

Spotlight on culture and leisure services

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