

# Falkirk Community Trust

Enquiries to: Maureen Campbell  
 Direct Dial: 01324 590902  
 Date: 19<sup>th</sup> November 2018

Bryan Smail  
 Chief Finance Officer  
 Municipal Buildings  
 Falkirk

Dear Bryan,

### **Falkirk Community Trust Business Plan 2019/20**

The Trust Board met on Thursday 8<sup>th</sup> November 2018 to approve the new Trust Business Strategy 2019-2024 setting out our future direction for the next five years and is attached as an appendix to the enclosed Briefing Report. The Business Plan for 2019/20 is also summarised in the briefing report, with the appendices provide supporting information. Due to the commercially sensitive information contained in Appendix 2, I request that this is excluded from the public publication of these papers.

2017/2018 was another year of significant success for the Trust that included the achievement of record levels of income, securing two highly coveted VisitScotland five star awards for Callendar House and the Helix as well as welcoming over 2,000 volunteers to assist in the delivery of culture and sport services. We attracted almost 4 million attendances across our facilities and our staff were instrumental in ensuring an excellent customer experience for our valued users.

In 2017 the Board agreed to invest in new business growth projects to improve the services we offer, create new customer experiences, to show how the asset portfolio could be enhanced to better meet customer expectations and to grow our income. By the end of 2018 we will have improved provision at the Helix Plaza café, created a new gymnastics centre at Stenhousemuir, launched a new afternoon tea offer in the Drawing Room at Callendar House and delivered a new professional pantomime at Falkirk Town Hall starring Falkirk's own Barbara Bryceland. At the Mariner the £1m investment by the Trust, in creating a new reception, café, welcome area and new soft play centre, has already created a new destination for young families. The new facilities have been warmly received with many positive comments from new and existing customers. Through these projects we expect to bring in additional income of £376k in 19/20.

Developments like this signal the type of provision that we endeavour to provide in the future. The briefing pack enclosed includes an exciting proposal to build on this work through the development of new state of the art Health and Fitness facilities at the Mariner and Stenhousemuir Gym. We seek the support of the Council to partner with us in this new £1.7m venture. It meets the SOLD objectives and the Council's Corporate Plan in that these projects will help to enable individuals to look after their own physical and mental wellbeing through regular physical activity. It also ensures that the Mariner is once again fit for purpose for the longer term in line with the ambitions of the Council's strategic asset review. We ask that the Council support the estimated capital works at a cost of £1.1m and to acknowledge the Trust commitment to meet the equipment costs of £0.6m. An early decision on this request would enable the works to be undertaken early in 2019 that would ensure that the income received would contribute to the savings target for 2019/20, thereby protecting other services that may otherwise be at risk.

The briefing report includes a request to amend the current Funding Agreement to remove the clause relating to a specific borrowing limit and to replace it with a statement that requires the Trust to commit to consult the Council in any funding proposal where the leases covering the operation of the Council's assets would be used as any form of security.

The briefing report acknowledges the Council's request that we plan for a reduction in the service payment of £1.25m in 2019/20. Our approach has been to consider how best we can continue to grow our income to help offset the reduction. In addition we have identified reductions in management staffing and in our supplies and service budgets to contribute to the savings target.

In recognition of the ongoing joint work with the Council in the strategic property review, local community planning and the recently formed group to develop a shared vision and high level outcomes, we have not made any recommendations for facility related service withdrawal. Instead we ask that the Council work with us to consider the outputs and feedback from all of the above work to identify and agree those sites that should be enhanced and developed for the longer term, those that might have greater community input to their management and operation and those that might be either closed or reused for a different purpose. The outcome of this work would be to agree how the gap of £874k, outlined in the attached report, could best be addressed.

We have been encouraged by the collaborative spirit and collective will shown in the shared vision working group and hope that this can deliver greater understanding and agreement about how we move forward together to ensure that we have a vibrant culture and sport offer in the future.

A number of specific requests are included within the briefing paper that allow for more time for collaborative working with the community, clubs and groups. We welcome your feedback on these and are happy to meet to discuss any particular item in more detail.

In accordance with our Funding Agreement please find attached two copies of our Business Plan documentation. I am also happy to meet with you and your colleagues to present the plans in more detail and to offer meetings to the political groups to explain our strategy and business approach and to answer any questions they may in their preparation for the Council meeting.

Yours sincerely

Maureen Campbell  
Chief Executive

## Falkirk Community Trust Briefing Note

**Subject:** Business Plan 2019/20  
**Meeting:** Falkirk Council  
**Date:** 15 November 2018  
**Author:** Chief Executive, Falkirk Community Trust

### 1. Introduction

- 1.1 This report gives the Council an overview of Trust proposals to develop its 2019/20 Business Plan and in particular outlines proposals to address the planned reduction in service payment.
- 1.2 This report presents the new five year Business Strategy for the Trust for endorsement.
- 1.3 It is set against a backdrop of a continued financial pressure and has an increased level of uncertainty around the level of service payment that may be available from the Council for the year.
- 1.4 This paper presents a unique and exciting opportunity for the Council to partner with the Trust to invest in the Mariner and Stenhousemuir Gym to create new health and fitness facilities. These could generate additional income to offset the reduction in service payment thereby protecting other services at the same time.
- 1.5 The report highlights a gap in the budget proposals and recommends that this is addressed through building on the shared work with the Council to create and agree a vision for culture and sport going forward. It suggests that a joint group be established to review options against the Council's Corporate Plan and Trust Business Strategy.

### 2. Background

- 2.1 The Council has set out its approach to the development of a Medium Term Financial Plan (MTFP) over five years from April 2019. It notes that the Trust will be involved in this work and that we will be asked to prepare a longer term financial plan to support the delivery of our new Business Strategy.
- 2.2 In consideration of the phasing of the MTFP the indicative allocation to the Trust over the five years was as follows:

2019/20	£750k
2020/21	£1m
2021/22	£1.25m
2022/23	£1.25m
2023/24	£1.25m
<b>Total</b>	<b>£5.5m</b>

- 2.3 Since that report by the Council was approved the financial gap for 2019/20 has increased and, as a result, the Trust were notified on 15 October 2018 that the savings target for 2019/20 for the Trust has been increased to £1.25m. This may be increased further subject to how Council services manage to identify deliverable savings options. At this stage the five year target of £5.5m, representing a 50% reduction, has not been increased.
- 2.4 Work is ongoing between the Council and Trust to develop a shared vision for culture and sport services. This shared vision is to be reported to the Council in December and is likely to impact on future service delivery.
- 2.5 This context brings our new five year Business Strategy and the need for implementation of the Business Plan Approach to even greater focus. The joint work with the Council will be critical to agreeing a positive and constructive mechanism for developing a new approach to the business planning process, service review and ultimately shape future service delivery. The Trust board is keen to participate fully in the process and is encouraged by the discussions to date.

### **3. Business Strategy 2019-2024**

- 3.1 The Business Strategy (Appendix 1) directs the development of our Annual Action Plans and wider business development approaches. Along with *Inspiring Active Lives: a Culture and Sport Strategy for Falkirk*, it is a key document for taking forward our work.
- 3.2 Our first Business Strategy covered the period 2014-2019. We have made significant progress in delivering it and this is summarised in the updated Strategy. However since 2014 we, along with others, have had to respond to significant budget reductions. This fact along with common themes across partners plans such as reducing inequality and poverty, promoting health and wellbeing have influenced the direction of the Strategy 2019-2024.
- 3.3 The Strategy for the next five years has been developed following a series of facilitated workshops that the Board held earlier in the year.
- 3.4 The Strategy focusses on three important areas:

#### **Customers**

- improving our understanding of what communities value
- helping motivate people who will benefit the most to participate
- inspiring and accessible programmes
- welcoming more customers

#### **Viability**

- finding new ways to grow income
- sharing responsibilities with partners
- using smarter contracting methods
- operating high performing assets

#### **Leadership**

- inspiring others to work with us
- establishing genuine community partnerships
- equipping employees and volunteers with community development skills
- communicating confidently

3.5 Our strategic objectives have been refined to:

- Meeting our customers' needs
- Ensuring our financial viability
- Growing our Leadership and community development capacity

3.6 We have identified priorities to guide our work and the key tasks that we need to focus on. They are priorities for the Trust but implementation will be dependent on our ability to lead and influence others. The six priorities are:

- Planning and Working Together
- Encouraging Health & Wellbeing
- Raising Image & Profile
- Generating Income
- Creating Business Efficiency
- Developing People

3.7 The equalities and wellbeing agenda is a key driver for the Strategy. However the role for culture and sport in the area's economic regeneration is also recognised and specific reference is made to promoting vibrant town centres. Working with the Council and cultural organisations to identify a way forward for a new arts venue in Falkirk town centre will be a significant area of work. Callendar House and the Helix, both 5 star attractions, have a role in supporting VisitFalkirk's tourism plans.

3.8 There are some key issues within the Strategy. Community Engagement and Capacity Building remains an area for development and an appropriate approach with the Council will be needed to enable us to assist the community to make the shift from a culture of entitlement to one of empowerment. The Strategy also flags the need to strike an appropriate balance between centralised and decentralised provision of buildings based services and joint planning with the Council and others on asset provision is required.

#### **4. 2019/20 Business Plan Proposals**

4.1 Our approach to developing an outline Business Plan has been to look at the service payment being reduced by £1.25m in 2019/20. In addition we used £345k from reserves last year that needs to be addressed in 2019/20 giving an overall savings target of just under £1.6m.

4.2 We have reviewed our plans for 2019/20 in the following areas:

- Review of 2018/19 Business Plan savings and income targets.
- Ability to generate additional income through the current and planned business growth projects including from customer income in 2019/20.
- Ability to deliver service efficiencies and savings that exclude full service reduction or withdrawal from sites. (This is in recognition of the clear message from Elected Members that they do not wish to see facility closures as savings proposals.)
- Opportunity to support alternative delivery options including greater involvement from clubs, groups and other organisations.
- Investment opportunities deliverable in 2019/20.

## **5. Review of 2018/19 Business Plan Savings and Income Targets**

- 5.1 The 2018/19 Business Plan savings are largely on target, the golf course will not achieve its savings target with a shortfall of £50k. Delays in the installation of the car parking charges at Muiravonside Country Park also mean that the income target there will not be achieved. Project delays will likely result in the budgeted income target not being achieved giving an overall shortfall of £420k coupled with a loss of income at the Mariner of £81k due to the unplanned 7 week closure.
- 5.2 However in recognition of the delays and income shortfall we have held back on expenditure and therefore expect to finish the year with a break even position.

## **6. Ability to generate additional income through the current and planned business growth projects including from customer income in 2019/20.**

- 6.1 Our original Business Growth plans for 2019/20 had indicated an intention to grow income by £776k in 2019/20 on the basis that all of our income growth projects would be up and running during 2018 and that we would have appropriate resources to increase marketing and sales to attract and retain new and existing customers. This figure has been reduced to £376k. This is more realistic and achievable given the capacity and capability within our teams and the Council's SLA related support.
- 6.2 The projects that are delayed will hopefully become live during 2019/20 however given the level of uncertainty and delays to date it is considered prudent not to rely on the income for business planning purposes.

## **7. Service Efficiencies and Savings**

- 7.1 Each year we have identified efficiency savings mainly related to reducing staffing budgets and cutting back on essential supplies and services. It is proposed that this be continued in 2019/20. The main proposals are to permanently reduce by 1.7FTE management posts giving a saving of £100k and to reduce the supplies and services budget by £100k. This will include reductions to the book fund, not replacing equipment and generally extending the life of equipment whilst maintaining safe use.
- 7.2 The Trust Trading Board has also been looking at its strategy for 19/20 and has identified that it has just two loss making sites in its portfolio. Action is being taken to tackle this. At Bo'ness Recreation Centre the café opening hours will be adjusted by 8 hours and new vending provisions will be installed to better appeal to customers. At Zetland Park it is proposed that the kiosk opening days be reduced from 183 days per year between April and October to 100 days. This means that the kiosk and adjacent public toilets will be open weekends and school holidays only. Notices will point customers to the toilets and café facilities available at Grangemouth Sports Complex when the kiosk is closed. While this will hopefully lead to a reduction in the extent of the reported losses it will still likely lead to losses. The Trading board is keen to continue to support this provision for the coming year and to look at options to further reduce the losses in the future.

**8. Opportunity to support alternative delivery options including greater involvement from clubs, groups and other organisations.**

- 8.1 A key component of the Business Plan Approach is to engage clubs and community groups in the delivery of services. We have made tentative steps in this regard. We were hopeful of Grangemouth Golf Club taking over the operation of the Grangemouth Golf Course from April 2019, however the Club has recently requested an extension to their planning period to ensure that they are able to complete a fully worked up Business Plan that will have the support of the Council for the longer term benefit of the course, local golfers and the Club. To grant such a request would though require the Council to reinstate a budgetary allocation for the operation of the golf course that had previously been accepted as a budget saving item. This is a similar request to that made by the community group taking over the operation of Woodlands Games Hall last year.
- 8.2 The Trust has successfully attracted increased levels of income whilst at the same time reduced its levels of expenditure at the course this year. However, there remains a projected operational funding deficit of approximately £50k in this financial year.
- 8.3 The Trust's Board considered the Club's request for an extension at their meeting on the 8<sup>th</sup> of November and agreed to continue to operate the Course with the following conditions:
- That the Council agree to provide additional funds of approximately £50k for 19/20 to the Trust to enable the continuation of the operation of the facility.
  - That the Club seek professional advice from Falkirk Council's Business Gateway support services in their preparation of their Business Plan to help ensure that it is completed in a format suitable for the Council's consideration.
  - That a clear project programme be agreed with representatives of the Trust and the Council, at an early stage of the process, that outlines key milestones and actions that need to be taken to ensure a smooth transfer of the facility by the 1<sup>st</sup> of April 2020.
- 8.4 The Trust has formally informed the Club of the Trust's willingness to support the future operation of the course subject to the aforementioned conditions.
- 8.5 The Trust's transfer of the facility, as had been previously planned by the end of March 2019, would undoubtedly lead to the closure of the facility and the demise of the Club, which is in no-one's interests. Such a situation would also lead to the loss of income from the current lease arrangement the Council has with the Club, not to mention the costs to make the clubhouse and changing room areas safe and secure, pending a longer term decision taken about the future of the building.
- 8.6 The Trust consider that the best financial option, that would also support the local community's use of the facility, is to allocate additional funds of approximately £50k to the Trust to enable their operation of the course until April 2020.
- 8.7 The Ski Club is looking at ways to assist in improving the viability of the Snow Sports Centre and the gymnastics clubs who are planning to move to the Carron Gymnastics Centre will support its operation and management arrangements from January 2019.
- 8.8 We continue to have discussions with other groups who might be able to assist in our operations though, as yet, no new interest has been forthcoming.

- 8.9 We have been delivering the annual fireworks event over the last three years although it had been earmarked as a potential saving. In 2016 and 2017 the Council provided funding and in 2018 the Trust funded the event from reserves. This was in anticipation of the community being engaged to support the event through donations. However in spite of over 25,000 attendances each year we have been unable to raise sufficient funds to sustain the event going forward. A decision now needs to be taken on the future funding of the event. The Trust asks that the Council review its position in respect of financial support. A budget of £30k is required to continue the event.

## **9. Investment Opportunities Deliverable in 2019/20**

- 9.1 We have exciting proposals to develop and extend the health and fitness provision at the Mariner and Stenhousemuir Gym. This would require an early capital investment of £1.7m to ensure delivery in Q2 2019/20. The proposal involves the creation of a new health and fitness facility located on the upper floor of the Mariner Centre offering new studios, gym space and better areas for consultations, customer engagement and assessments. At Stenhousemuir Gym the plan is to extend into the adjacent unit to create new studios, better reception, consultation and additional gym capacity. A Business Case has been produced showing the market demand, gaps and opportunities for development as well as the associated costs, cash flow and development timetable. Appendix 2 summarises the proposition.
- 9.2 The five year estimate is that this could deliver additional income totalling £1.5m over 5 years. The Council is asked to invest £1.1m in the capital improvements and the Trust will fund the specialised equipment at cost of £0.6m to create these new facilities that would include the use of new technology to create the first facility of its kind in Scotland. Assuming that a commitment to invest is made soon the facilities could be open and operational by Q2 2019/20 and making a contribution of £150k to the 2019/20 savings target.
- 9.3 This project would be a continuation of the modernisation of the sport portfolio that gives the Mariner Centre a secure long term future and signals to the wider community the level of ambition and creativity that underpins our longer term improvement plans.

## **10. The Gap**

- 10.1 The proposals outlined above deliver an overall savings impact for 2019/20 of £726k leaving a gap of £874k to be found from service reductions. It is proposed that rather than pursue the approach of identifying specific sites for potential withdrawal that the task of identifying options is taken up jointly with the Council. It is suggested that a group is set up to consider the priorities and impact set against the Trust Business Strategy, the Council's Corporate Plan and the wider community planning agenda.

10.2 The table below summarises the information outlined:

<b>INCOME</b>		
Realistic income growth goal	£376k	Made up of: Callendar House 41k FTH 70k Mariner Soft Play 110k Carron Gymnastics 10k Helix 75k Hippodrome 20k Health and Fitness at Grangemouth and Bo'ness 50k
Growth from investment	£150k	Subject to investment of £1.1m capital and £0.6m equipment. Part year income from Y1 of Mariner and Stenhousemuir Gym Health and Fitness Business Plan. Assumes Q2 opening for both.
<b>Total from Income</b>	<b>526k</b>	
<b>REDUCTIONS</b>		
Permanent Reduction in TL staffing	£100k	Reduction in Management posts.
Service Efficiencies	£100k	Review of ongoing supplies and services
<b>Total Reductions</b>	<b>200k</b>	
<b>Total income and reductions</b>	<b>726k</b>	
GAP - Service reductions	874k	Subject to discussion with the Council
<b>Total</b>	<b>£1.6m</b>	

## 11. Fees and Charges

- 11.1 The setting of fees and charges is a matter solely for the Trust, in accordance with the requirements of having charitable status. In this respect we established a set of principles that had at its core the aim of having customers perceive the fees and charges as representing 'good value for money'. However, given the significant budgetary pressure to generate additional income, much work continues to be undertaken to determine the most appropriate fees and charges for all the activities and services that are provided.
- 11.2 The need to grow membership levels within our health and fitness services continues and previous tactics in this area that encourage increased membership numbers, instead of simply raising charges for existing members, has proved successful. With this in mind it is proposed to 'freeze' existing peak membership category charges and to no longer offer 'off-peak' categories, as the gap between the two is now relatively small. Existing off-peak memberships will however continue to be honoured. A unique selling point of health and fitness memberships is that customers can join and leave whenever they wish as they are not tied into a contract, as many of the commercial sector organisations require. However, it is intended to slightly increase our joining and

induction pack charges as these currently provide good value for money, which should also contribute to improving retention levels. Particular success has been achieved in the 'Active Forth' programme this year and to continue to grow this area of specialist support for those in greatest need of physical activity and recovery support, membership charges will also be frozen in this area.

- 11.3 In relation to the desire to improve customer retention levels, the opportunity to continue to visit Hippodrome screenings, at reduced charges, when compared to the new standard prices to be introduced, will be provided through the purchase of an annual 'More Hippodrome' card. Non cardholders will however be charged at rates higher than existing charges and more in comparison with the commercial sector. This two tier system will act as a pilot approach for potential rollout across other Trust services in the future and will therefore be closely monitored to ascertain its success or otherwise.
- 11.4 The Trust has needed to introduce new and amended existing prices throughout 2018/19 given the opening of the Mariner Softplay area and to encourage the maximum number of season ticket holders to the Grangemouth Golf Course and it is expected that additional activity charges will also be required at a variety of stages throughout the next financial year.
- 11.5 It is expected that the actions proposed will deliver additional income in 2019/20, assuming participation levels are retained at existing levels. Similarly, the income projections associated with such a review assumes that all the services will continue to operate beyond the 1<sup>st</sup> of April 2019; however this may not be the case in some activity areas.
- 11.6 Appendix 3 highlights the significant changes to fees and charges in 2019/20, as there are many other adjustments which will be made. Following acceptance of the Business Plan, a full list of the fees and charges will be prepared and communicated to customers before their implementation.

## **12. Capital Proposals**

- 12.1 The Business Plan Approach has been developed to enable the Trust to grow income through the development of services that are attractive to customers, which will result in increased levels of income generation and subsequently less reliance on Council revenue funding. The transformation of the Mariner entrance, reception, café and new soft play facility signal the standard of facility we seek to offer to better meet customer expectations. The new Gymnastics Centre and the development of the Drawing Room in Callendar House are further examples of our approach in action.
- 12.2 The proposals to create new health and fitness facilities at the Mariner and Stenhousemuir Gym would mark another step on this journey and collectively would show how overall provision is being improved. The request for £1.1m from the Council to facilitate the capital works is essential to this work.
- 12.3 In addition we request £522k for projects outlined in Appendix 4. These proposals are items of inescapable works to comply with health and safety and to keep sites operational. The total capital requested from the Council for 2019/20 is therefore £1.622m.

- 12.4 Additional submissions of approximately £2m per annum, over the next three year period have been made to the Council capital programme to help resolve many of the outstanding backlog maintenance items across the portfolio of assets operated by the Trust. However it is recognised that they are not likely to be funded due to constraints within the programme.

### **13. Human Resource Implications**

- 13.1 The proposals outlined in this report will not directly affect staff. The business growth projections are based on the current staffing arrangements. The proposed reductions at Team Leader level are in posts that are currently vacant.
- 13.2 In a change from previous years we are not highlighting any specific sites to be considered for withdrawal although this may emerge from the joint discussions with the Council in addressing the gap highlighted in paragraph 10.1. In order to fulfil our obligations to employees we may need to increase the funding required to meet the costs of severance once the specific sites and staff affected are known. The Trust reserves includes an allocation of £237k to meet severance costs, however this is likely to be insufficient to meet the full costs.

### **14. Financial Implications**

- 14.1 The Business Plan brings together a number of work themes, many of which carry over from one year to the next. Others are new proposals that are intended to improve our financial stability against a back cloth of severe financial constraint.
- 14.2 The table overleaf summarises the indicative financial position for 2019/20 and notes the request for a service payment of £10.05m. This is on the basis that the proposals relating to the gap of £874k can be delivered by 1 April 2019 and that any associated severance costs, if required, can be met from the allocated reserves budget. It excludes any allowance for the ongoing operation of Grangemouth Golf Course and the continuation of the annual fireworks event.

**2019/20 BUDGET**  
**BUDGET SUMMARY**

	<b>BUDGET 2018/19</b>	<b>PROPOSED BUDGET 2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Employee Expenses	12,332	12,575
Property Expenses	2,362	2,408
Transport Expenses	182	187
Supplies & Services	3,789	3,710
Third Party Payments	473	473
Support Services	806	806
Capital Costs	94	94
<b>TOTAL EXPENDITURE</b>	<b>20,038</b>	<b>20,252</b>
Service Payment	10,891	10,050
Other Income	8,802	9,329
Contribution from Reserves	345	-
<b>TOTAL INCOME</b>	<b>20,038</b>	<b>19,378</b>
BUDGET GAP		<b>(874)</b>
<b>NET EXPENDITURE</b>	<b>-</b>	<b>0</b>

**15. Risk Implications**

- 15.1 The uncertainty noted on paragraph 2.3 regarding the level of savings that are required to assist the Council balance its budget in 2019/20 means that there is a risk that the level of reduction in the service payment may increase over the coming months; it could also reduce although that seems unlikely at this time.
- 15.2 The business growth work is showing early signs of positive results. It is also hoped that the new website, ticketing system and implementation of new technology to assist in customer feedback and retention in swimming and health and fitness will have a significant impact on achieving income targets.
- 15.3 In previous years we promoted the use of reserves to allow time for community engagement work to be undertaken. We have learned that this takes much more time and capacity on the part of the community participants and so are not proposing that savings are included in advance this year. We are continuing to engage with users, clubs and other organisations and will add any certain savings that can deliver in future years plans. This approach reduces the risks associated with the under achievement of savings targets.
- 15.4 Finally, the backlog maintenance issues have been widely reported and are understood by both the Council and Trust staff. However the continued under investment in key sites leaves them vulnerable to service failure. Our inability to provide modern fit for purpose facilities severely constrains our ability to attract and retain customers thereby impacting on our ability to create a sustainable and thriving business, the result of which will impact on the wider Falkirk community in terms of their general health and wellbeing and indeed their pride in the area.

## **16. Funding Agreement Amendments**

- 16.1 In order to enable the Trust Board to consider future investment proposals in a timely manner it is suggested that there is an amendment to the Funding Agreement to remove the clause relating to a specific borrowing limit and to replace it with a statement that requires the Trust to consult the Council in any funding proposal where the leases covering its assets would be used as any form of security. This would enable relationships to be built with social enterprise funders and alternative funding sources explored where a quicker decision making process might assist business growth. The opportunity to partner with the Council on specific larger scale projects would be retained.

## **17. Conclusions**

- 17.1 Income from customers in 2018/19 is on track to exceed all previous years for the 5<sup>th</sup> year in a row. This outline Business Plan contains a range of proposals that demonstrate early progress toward the implementation of our business growth plans along with actions that have been taken to increase the pace in this area for next year to further develop the business and grow income in 2019/20.
- 17.2 A new exciting proposition to create market leading health and fitness provision is outlined for the Mariner and Stenhousemuir Gym reflecting the ongoing development of these sites as exemplars for future provision in the area. This is predicated on a request to the Council to increase its capital investment to support the implementation of the Business Plan Approach and to help us in the delivery of our Business Strategy objectives.
- 17.3 The report highlights a significant gap in funding for 2019/20 to be found from savings in areas that are not defined. This is to allow the new partnership work with the Council to develop a shared vision to directly influence future provision for culture and sport moving forward.
- 17.4 The proposals outlined here support the first year of implementation of our new Business Strategy.

## **18. Recommendations**

### **18.1 The Council is asked to:**

- a) Endorse the Trust five year Business Strategy 2019 -2024;**
- b) Note the proposals to continue to grow income through the business growth projects;**
- c) Note the proposals from the Trust Trading Company to make minor adjustments to catering provision at Bo'ness Recreation Centre and to reduce the number of operational days at Zetland Park Kiosk;**
- d) Agree to the request for continued funding of £50k for Grangemouth Golf Course to allow for more time for the Club to prepare and submit its Business Plan for consideration by the Council;**
- e) Consider whether to revisit the earlier decision on funding support for the annual fireworks event at a cost of £30k;**

- f) Agree that a working group involving the Council and Trust Board representatives and staff, be asked to make recommendations to the Council and Trust Board to address the shortfall in funding outlined in paragraph 10.1**
- g) Endorse the approach to fees and charges for 2019/20 outlined in paragraph 11;**
- h) Agree to the request for £1.622m for capital funding comprising £1.1m to facilitate the creation of market leading health and fitness provision at the Mariner and Stenhousemuir Gym and £522k to enable essential works at other locations outlined in Appendix 4;**
- i) Agree to amend the Funding Agreement to encompass the flexibility outlined in paragraph 16.1.**

Maureen Campbell  
Chief Executive



Falkirk Community Trust

# Business Strategy

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2019-2024

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## INTRODUCTION

This Strategy is about how the Trust position's itself to make the best possible contribution to improving quality of life for all communities in the Falkirk area. We operate in an ever changing world and it is intended to help us adapt to meet challenges and opportunities that lie ahead.

Developed by the Board, the document sets out our Business Strategy for 2019-2024. Whilst it picks up the objectives and many of the priorities of the previously published Strategy for 2014-2019, we have in the interim reviewed our business approach to respond to the changing context in which we are now, four to five years on, operating. We are transitioning towards playing a more facilitating role in the community, expecting that we will soon be operating with much less funding and from fewer venues.

The Trust is a community organisation with a governance structure that places it at the heart of Falkirk's communities. Our primary purpose is to serve the people of this area to the very best of our ability and this Business Strategy has been developed to help us to do that.

The value of what we do is, we firmly believe, ever more important at a time when a preventative agenda is necessary to help alleviate some of the many pressures on diminishing public funds such as for healthcare and social services. Helping people to help themselves to better health through easy access to all the life-enhancing activities that we have on offer is a key thrust of our Strategy.

Evidence points to deprivation, poverty and equalities issues being important factors in individuals' health and wellbeing. To help address these issues we must maintain, or better still, enhance services, which may be facility-less, for those most in need. We know we need to continue to be effective but to do so with reducing means. Our approach is to increase the income generating ability of selected venues to reduce or remove their subsidy, thereby enabling funds to protect the equally important but less income-driven services.

We are a leader for culture and sport but we are by no means the only organisation with an interest in culture and sport in the Falkirk area. There are a plethora of organisations, large and small, which either deliver services, through clubs for example, or value the contribution made to quality of life, such as community planning partners. Our approach is to shift some of our focus from managing a large number of facilities to leading and facilitating others. Only by spreading responsibilities wider across a greater number of charitable and community organisations can we hope to sustain all that is great about culture and sport.

Effective partnership, particularly with Falkirk Council but increasingly with others such as health partners, will be critical to success and we look forward to fruitful collaboration over the next five years.

David White  
Chair, Falkirk Community Trust

## ABOUT US

### ***Who we are and what we do***

Falkirk Community Trust is a charitable organisation. Our mission is to lead culture and sport to enrich people's lives in the Falkirk area. We deliver a wide range of culture and sport services on behalf of Falkirk Council and we want Falkirk's communities to be the most creative and active they can possibly be.

Our services include arts, heritage, libraries, sports, recreation and events and we manage over 80 sites across the area which range from the world renowned Helix and Kelpies, unique heritage attractions of Grade A listed Callendar House and the Hippodrome Cinema, three large historic parks, specialist facilities such as the regionally significant Grangemouth Indoor Athletics Centre to local libraries, sports venues and pitches in neighbourhood areas.

Our values demonstrate the importance we place on people:

- **Valuing** the positive difference people make
- Acting with **integrity**
- Placing **people's needs** at the heart of everything we do
- Being **proud** of what we can achieve together

### ***Our Achievements***

In four financial years of our first Business Strategy we achieved a 28% increase in customer income, a 29% increase in participation by young people, a massive turnaround in our trading activity and reduction in our reliance in funding from Falkirk Council, down from 69% - 60%. This was with a 17.5% reduction in our annual core funding from the Council.

We did this through introducing thematic marketing plans focusing on families, older people and those with less means and increasing our use of digital communications. We invested in new technology in our libraries and moved towards a new online sales capacity. We introduced new activities in arts, sport and trading and improved our asset base. We grew our organisational profile and embedded our culture, values and ethos and offered new opportunities for volunteers to work with us. We helped our people to be more customer focussed, project driven and innovative and we looked to working more closely with stakeholders and community groups as the way forward.

A brief review of our journey over the last four years can be found on page 12.

### ***Our Ambition***

Our ambition is for people to be the most creative and active they can be, to be inspired and motivated to participate, enjoy new experiences and to take part in activities that are relevant, affordable and accessible. Our first Business Strategy set out this ambition in 2014 and we have been journeying towards it since then. Whilst much progress has been made the ambition remains as relevant now as it was.

By 2024 as a result of this five year Strategy:

*Falkirk Community Trust will be operating from venues that people want to use, with a more responsive programme offering high quality for our customers. We will be a trusted and valued organisation, secure in our role as a leader for culture and sport and with diminishing reliance on Council funding; we will be more flexible, entrepreneurial and commercially minded. We will have created champions for culture and sport and have loyal volunteers and a workforce who motivate a huge cross section of the community to take part in culture and sport that improves their lives.*

### **Our Strategy**

This document sets out a framework to guide action over the next five years to help us to carry on delivering culture and sport that enriches people's lives and creates a vibrant place.

In autumn 2016 the Trust Board agreed that although the then Business Strategy was still relevant, they wanted to take a longer term view and the Business Plan Approach was developed in response to increasing funding pressures. It outlined a three year programme of work that was intended to protect and modify service delivery and assumed a significant reduction in Council funding over a five year period from 2017. It set out a number of shifts and a forward route plan through:

- Community engagement and involvement so that facilities could be managed in partnership with community groups with a view to transferring them in part or whole over time;
- Sustaining community infrastructure through facilities that don't yet have an identifiable community support mechanism but make a significant contribution to meeting need;
- Generating income in facilities that have the potential to grow to reduce subsidy while still contributing to the area's strategic objectives.

We have developed this second Business Strategy mindful of the route plan outlined above, and the progress made and learning from it to date, and the Strategy 2019-2024 focuses on three important areas:

#### **Customers**

- improving our understanding of what communities' value
- helping motivate people who will benefit the most to participate
- inspiring and accessible programmes
- welcoming more customers

#### **Viability**

- finding new ways to grow income
- sharing responsibilities with partners
- using smarter contracting methods
- operating high performing assets

#### **Leadership**

- inspiring others to work with us
- establishing genuine community partnerships
- equipping employees and volunteers with community development skills
- communicating confidently

## OUR STRATEGIC CONTEXT

We are the lead body for culture and sport in the Falkirk area and we believe passionately that participation in culture, sport and physical activity makes a positive and valuable contribution to the health and wellbeing of individuals and the whole community. Over the last five years we have been laying the foundation for this Strategy which as before is intended to help create possibilities that will make the most positive impact over the next five years.

### ***What's changed***

However over the past four years we have had to respond to significant budget reductions which when taken cumulatively amount to approximately £4 million and are having a serious impact on our viability. As the Council's financial position has become more constrained this is placing greater pressure on non statutory services such as those being delivered by the Trust. This ongoing reduction in funding is happening at a time when there is a growing recognition of the contribution that culture and sport makes to statutory service delivery. The boundary between statutory and non statutory service is becoming more blurred and the social return on investment, for example, in services that promote health is much more widely recognised. The impact on the health and well-being of the community, the local economy and indeed the overall loss of Falkirk's 'sense of place', if funds continue to reduce is immeasurable and should not be underestimated.

The need for collective effort is picked up in other plans and strategies operating at a local level most of which are new since we created the first Business Strategy:

- A Thriving Forth Valley – NHS FV Health Improvement Strategy 2017-2021
- Falkirk Community Planning Partnership – Strategic Outcomes and Local Delivery Plan 2016-2020 (SOLD)
- The Council Corporate Plan – Our Council, Our Area, Our Services 2017-2022
- Establishment of Falkirk Health and Social Care Partnership – the Integrated Joint Board
- Inspiring Active Lives – a Culture and Sport Strategy for Falkirk 2014-2024

One of the most significant factors that has emerged is an increasing focus on improving mental wellbeing. The Health Improvement Strategy seeks to tackle preventable illness, reduce the inequality gap and promote physical and mental wellbeing. It highlights how mental health and wellbeing is a national priority and to achieve good mental health requires a systematic approach to prevention and early intervention. It flags the links to deprivation and seeks to target specific groups of children and young people known to have poorer mental health.

The Community Planning Partnership has placed a particular focus on improving mental health and wellbeing in the Falkirk area as well as addressing the impact of poverty on young people which is to be given the greatest attention. These are in addition to seeking to improve the health of the local population and, reflecting an ageing demographic, that people can live full, independent and positive lives within supportive communities. Increasing physical activity levels is an action within the SOLD which the Trust is leading on.

The Council's Corporate Plan recognises the period of significant change is continuing and looks to balance aspiration and ambition with ability to achieve. The priorities of this Plan encompass

People, Place and Partnership and areas of particular focus that are of relevance to our Strategy include children and young people, reducing the impact of poverty on families and working with the third sector and communities to help them thrive by delivering services differently. The Plan sets an agenda for modernisation, change and organisational transformation. The Plan also highlights the role for “Inspiring Active Lives” in improving the outcomes for citizens and communities.

The Integrated Joint Board’s Strategic Plan, whilst focusing on an ageing population, also places an emphasis on reducing poverty, equality of access, health and wellbeing. It aims to enable individuals, carers and families to manage their own health, care and wellbeing.

The common themes across partners’ strategic plans that are particularly important for culture and sport can be summarised as:

- Reducing inequality
- Reducing poverty
- Promoting health and mental wellbeing
- Giving children and young people the best possible start
- Working with communities

Under the Council’s Place priority we also play a role in growing the area’s economy, attracting inward investment and promoting vibrant town centres. Callendar House and the Helix, both VisitScotland 5 star attractions, have a key role in the area’s tourism development. The Trust works closely with partners through VisitFalkirk to implement tourism initiatives.

### ***“Inspiring Active Lives”: A Culture and Sport Strategy for Falkirk 2013-2023***

The Trust led the creation of this Strategy that helps guide our own work and that of partners for a ten year period. It takes account of the issues facing the area, culture and sport specifically and sets the direction for all local culture and sport organisations. It looks to the Trust to lead the implementation of the Strategy through Delivery Plans created with relevant partners.

The two main aims are:

- To increase and broaden participation in culture and sport
- To help secure recognition for the Falkirk area as a vibrant place

“Inspiring Active Lives” is organised round four themes:

**Participation:** Improving sense of wellbeing, enriching lives of people of all ages and ensuring co-ordinated structures are in place to enable participation from the ‘grass roots’.

**Motivation:** Connecting with people and motivating them to take part in opportunities that are relevant, accessible, affordable and meet expectations.

**Venues:** Providing a focal point for participation and community cohesion, attracting visitors, enhancing the image of the area and ensuring fit for purpose venues that meet expectations.

**Partnership:** Making sure all forward plans are aligned to partner expectations.

All of the above has been an influencing factor in determining our business priorities over the next five years. But of particular importance are Health and Wellbeing and Inequalities. Maintaining services for those most in need may not require major facility provision. Currently two local Community Sports Hubs operate in a range of community settings; we deliver services directly in Care Homes; and activities in the outdoors such as buggy walks take place on local path networks. In this document we describe such services as facility-less.

## OUR OBJECTIVES

We will achieve our five year ambition through three strategic objectives:

- Meeting our customers' needs
- Ensuring our financial viability
- Growing our leadership and community development capacity

### ***Meeting our customer's needs***

*People are at the heart of everything we do, be they customers or potential customers*

Good progress has been made in improving our technology to help us know more about our customers and markets and now we will use this to reach and respond to the widest audience.

Working to this objective will require:

- Understanding what communities value
- Use of technology to motivate and communicate
- Accessibility and value for money
- Growing customer loyalty
- Targeted approaches to engage those most in need

### ***Ensuring our financial viability***

*Being efficient, effective and operating with reducing means*

We are becoming less reliant on Council funding but we are unable to move at the same pace of change as the ever reducing levels of funding. With the Council's support we need to quickly shift to a portfolio of diverse facilities, management models, service delivery options and sources of income. Decisions taken need to be based on robust evidence for investment that secures the best outcome for the whole area.

Working to this objective will require:

- A smaller core of high performing assets
- Income generation to maintain and invest in service provision
- Strategic use of surpluses
- Partnership
- Smart contracting and borrowing

### ***Growing our leadership and community development capacity***

*Some of our focus needs to move from managing to leading and facilitating*

We want to lead and support the shift from entitlement to community responsibility and from service provision to community enablement and education.

Working to this objective will require:

- Leadership that guides and supports others
- Engaged and motivated volunteers
- Employees with community development skills
- Excellent communications that inspire confidence
- Responsibilities spread across a greater number of charitable and community organisations

## OUR PRIORITIES

We have identified six strategic priorities. These are areas of work which are of significant importance to the future of the Trust and the services we deliver and will make considerable contribution to “Inspiring Active Lives”. Although taking broadly the same direction as our previous Strategy we have made some additions to reflect the need to refocus our direction of travel. They are priorities for the Trust but implementation is very dependent on our ability to lead and influence others as shown below.

### ***Planning and Working Together***

To be an effective contributor we need to be involved in genuine partnerships that move from planning together to working smarter together. With fewer resources, this is the step change needed to make a positive impact for communities. There is also a need to strike an appropriate balance between centralised and decentralised provision of building based services. All the area’s plans describe this changing landscape across the public and third sectors but success will depend on growing the capacity of people to work in this way.

Over the next five years we will:

- Identify how we could better support community groups to programme and manage venues either by themselves or working alongside us;
- Ensure we engage at ‘grassroots’ level with our communities of interest, and make best use of existing mechanisms such as locality planning to work with geographic and neighbourhood communities;
- Take a lead role in co-ordinating programme provision with others, be willing to innovate more and introduce new content, taking measured risks where considered manageable;
- Engage with partners to share any available research that would help us better understand community needs and be open to joint commissioning of research;
- Improve how we build in accessible opportunities from the outset for engagement of communities and customers in our planning for new initiatives;
- Work with the Council and cultural organisations to identify a way forward for a new arts venue for the area;
- Develop our organisation to help support the objectives of funding partners.

### ***Encouraging Health & Wellbeing***

To fully play our part we need to be more focussed on supporting health priorities. National and local plans highlight mental wellbeing as a major issue. Working with partners to identify those who will benefit most, we need to motivate people to do more to help themselves and be more active. Success will depend on targeted funding and a systematic and joined up approach that can support at an individual level as well as across whole communities.

Over the next five years we will:

- Engage with the appropriate community health services to identify and develop joint funded programmes and initiatives;
- Promote the mental health and wellbeing benefits from engaging, whether as an active participant or an audience, in all the services we offer;
- Promote workplace health, active travel to, and healthy eating in, our venues;

- Work to motivate the least active across the population to participate and continue to develop specific activity that meets their needs;
- Make sure we develop programmes that allow geographic access, create thematic content and encourage people to progress, maintaining a balance of both facility based and development activity and populist with more challenging content;
- Focus on increasing physical activity levels of adults over 45 years to help minimise the future health burden from the projected increase in older adults in the population;
- Engage parents/carers in the most deprived areas to increase the numbers participating in activities for under 3's and work to increase the participation of all children living in poverty in our programmes.

### ***Raising Image & Profile***

To develop our organisation and be an effective leader we need to celebrate our successes and be a great communicator. By being widely recognised and valued we can use our visibility to create a healthier business that helps create a more vibrant place and contribute to the area's economic and tourism growth. Success will depend on a positive attitude, effective branding and messaging that makes best use of technology.

Over the next five years we will:

- Celebrate and communicate success widely, with employees, communities and partners;
- Ensure that growing our brand awareness is something that everyone in the organisation and communities can contribute to and become champions for the services we deliver;
- Support area wide placemaking and an internationalisation agenda, particularly through the visitor destinations that we manage;
- Work with an increased range of local and national partners, including businesses, who ideally will describe us as excellent partners to work with;
- Explore new ways of deriving funds through, for example, expanding our competitive funding base and developing new forms of funding;
- Continue to develop our digital communications and engagement tailored to a wide range of audiences.

### ***Generating Income***

To remain viable we need to find discrete and attractive new income streams. As a charity we generate funds to deliver front line services to the community. To help address poverty and equality issues we must maintain services, which may be facility-less, for those most in need; funding this by increased income to reduce or remove subsidy in selected venues. Which venues and where services are to be delivered is business critical. Success will depend on commercial acumen, innovation and wise investment.

Over the next five years we will:

- Deliver a programme to refresh our major venues ensuring they contribute effectively to an excellent customer experience;
- Monitor and respond to trends and identify opportunities for new programmes and uses of venues where return on investment can be optimised;
- Take forward a number of business growth initiatives that will widen opportunities for more people to be active more often, projects identified (2018) include at Grangemouth Sports Complex, the Mariner Centre and the Helix;

- Introduce smarter contracting and borrowing routes, making greater use of strategic frameworks and partnering with leisure developers;
- Take a prioritised and project driven marketing approach that delivers return on our investments and meets business case objectives;
- Seek ways to better integrate our customer sales activity and increase cross sell, building this into our plans for implementing events, programmes and venue promotion.

### ***Creating Business Efficiency***

To be efficient we need to modernise. We must capture and use information and market intelligence, grow membership and loyalty base and drive business costs down. Success will depend on making technology easy for customers and staff to engage with.

Over the next five years we will:

- Make best use of improved customer information to provide a stronger evidence base for decision making;
- Continue to improve our electronic point of sales systems to generate information that drives service delivery improvement;
- Continue to use ICT investment to move the business forward by responding to how customers expect to access information and better engage with the Trust;
- Encourage and support a mobile and flexible approach to the work environment;
- Review SLAs to ensure we have the appropriate mix and blend of effective and value for money support services to meet our business needs.

### ***Developing People***

To be the best we can be we need the right people, with the right skills in the right places. We must grow our knowledge and skills base especially in income growth and community engagement. Recognising we need to increase the pace of change, success will depend on motivating our people and externalising more to gain skills to address project driven challenges.

Over the next five years we will:

- Support and encourage staff to take entrepreneurial and collaborative approaches that meet Trust objectives;
- Recruit and develop a workforce that demonstrates excellence in customer service at its core;
- Develop skills within our workforce to enable staff to grow capacity and empower communities to do more for themselves;
- Consider how we can tap in to internships or other external resources to add specialist resource to specific projects;
- Offer increased levels of volunteering that enhance service delivery ensuring through co-ordination and training that a quality standard is set and maintained and that volunteers' expectations can be met;
- Match volunteering opportunities so that volunteer effort helps those who need help most.

## **DELIVERY**

Delivery of this Strategy will be dependent on making best use of available resources, developing competencies, having robust action plans and effective monitoring of our progress.

### ***Financial Strategy***

Our financial planning is currently governed by an expectation that public sector funding will continue to decline at an unprecedented level. Funding from the Council (2017/18) makes up 60% of the income we receive therefore sustained reduction will carry on having a significant impact. We plan to continue to offset this through a combination of income generation, efficiencies and service reductions. However the scale of savings, when considered over five years is such that the focus of our financial strategy may have to place greater consideration on service reduction proposals.

To minimise the financial impact on services our strategy is to grow income where we can in order to protect valuable services which do not have income generating capacity particularly from customers. We are doing this through business growth projects. Currently in 2018, projects in development are:

- Improved customer facilities at the Hippodrome
- Introducing professional pantomime at FTH
- Expanding the afternoon tea offer at Callendar House
- Conversion of a sports centre to a specialist gymnastics centre
- Partnering with leisure developers to optimise investment opportunities in sports facilities

These changes will appeal to customers and generate more income. However it has taken time to get projects off the ground, and we must act quickly, along with the Council, if we are not to put services at greater risk of reduction.

Our approach is also to review with stakeholders those assets and services where changes to management arrangements or reductions could be made and to focus our attention on those core assets which make the greatest contribution to income and / or to “Inspiring Active Lives”.

### ***Annual Action Plans***

We will deliver the objectives and priorities described in this Strategy through a series of annual action plans. Each action plan will be part of our annual submission to Falkirk Council in respect of our Funding Agreement and will be published in April following conclusion of each year's funding settlement. The annual Action Plans will consist of action that directly contributes to this Strategy and will not include routine operating activity.

### ***Delivery Resources***

Effective marketing is essential to deliver the Strategy. This is dependent on making better use of market intelligence and customer data as well as building our profile and brand awareness. We need to review our employee skills mix to ensure we have income generation and community capacity building competencies. Both are priorities in the Strategy.

## Monitoring our Progress

We will monitor and report on our progress. A suite of performance indicators will be set out in the annual Action Plans. Strategic indicators to measure the success of this Strategy over the next five years are set out below.

The results to date demonstrate that we are a well performing organisation. Note that fundraising levels tend to be variable, being subject to peaks and troughs. Employee survey results are quite static and so developing people is an important aspect of the Strategy.

Table 1: Strategic Indicators

Objective	Strategic Indicator	Context
<b>Meeting our customers' needs</b>	Increase: customer admissions	In 2017/18 measurable admissions were 3.9 million This is <b>increasing</b> from 2.3 million in 2012/13
	Increase: customer satisfaction level	In 2016 our 2 <sup>nd</sup> high level survey result was 89%. This is <b>improving</b> on 2012 when it was 86%
<b>Ensuring our financial viability</b>	Improve: the ratio of customer income to that secured from Falkirk Council	In 2017/18 our funding was 60% from Falkirk Council, 35% from customer income and the remainder from grants and fundraising. This is <b>improving</b> from 2012/13 when our funding was 69% from Falkirk Council, 26% from customer income and the remainder from grants and fundraising.
	Improve: the ratio of customer income to gross expenditure	In 2017/18 customer income was £6,735,000 and gross expenditure was £18,976,000 Income was nearly 1/3 of expenditure. This is <b>improving</b> from 2012/13 when income was just over 1/4 of expenditure.
	Increase: the level of income received from grants, fundraising and donations	In 2017/18 we secured £843,000 This is <b>declining</b> from 2012/13 when we secured £941,000.
<b>Growing our leadership and community development capacity</b>	Employee perception and engagement	In 2017 there was a 29% return rate to the 3 <sup>rd</sup> employee survey. This is <b>declining</b> from 2012 which was 38%. In 2017 69% of respondents enjoyed working for the Trust. This is an <b>increase</b> from 2012 which was 67%.
	Stakeholder perception	In 2015 we had a low response rate when we asked stakeholders what they thought of us, those that responded were positive. We will ask again in the life of this Strategy.
	Increase: number of local clubs and organisations we work with	In 2017/18 we worked with over 200 local clubs and organisations. This is <b>increasing</b> from 2012/13 when we worked with over 100
	Increase: number of community partnerships established (new indicator)	In 2017/18 we helped establish 1 community partnership to manage Woodlands Games Hall and established 2 community sports hubs (Camelon and Grangemouth)

## OUR JOURNEY

### ***Delivering the Strategy 2014-2019***

All that we do ultimately contributes to delivering services in response to the themes of “Inspiring Active Lives” and we report against these themes in our Annual Reports which can all be found on [www.falkirkcommunitytrust.org/about](http://www.falkirkcommunitytrust.org/about)

In the Business Strategy 2014 - 2019 we set six quite focussed priorities with tasks, and delivery progress is summarised in the tables below. They show where we have achieved specific tasks, highlight where a task is to be developed further in the Strategy 2019-2024 or where we may have reprioritised efforts or need to increase focus.

<b>Marketing we said we would:</b>	<b><i>Our progress</i></b>
<ul style="list-style-type: none"> <li>Become more efficient by making use of marketing budgets more flexibly across the Trust</li> </ul>	<b>achieved</b>
<ul style="list-style-type: none"> <li>Make use of customer information, where it can be generated, to provide a stronger evidence base for decision making</li> </ul>	<b>commenced</b>
<ul style="list-style-type: none"> <li>Implement thematic marketing plans around customer bases with a focus on families, older people and those with less means</li> </ul>	<b>achieved</b> continuing activity
<ul style="list-style-type: none"> <li>Seek ways to better integrate our customer sales activity and increase cross selling, building this into our plans for events, programmes and venues</li> </ul>	<b>good progress</b>
<ul style="list-style-type: none"> <li>Ensure that growing our brand awareness is something that everyone in the organisation can contribute to and become champions for the services that we deliver</li> </ul>	<b>commenced</b> will uplift focus
<ul style="list-style-type: none"> <li>Develop our digital communications and engagement appropriate to a range of audiences</li> </ul>	<b>achieved</b> continuing development

<b>Information and communications technology we said we would:</b>	<b><i>Our progress</i></b>
<ul style="list-style-type: none"> <li>Address the critical capacity of our Library Management System</li> </ul>	<b>achieved</b>
<ul style="list-style-type: none"> <li>Enable customers to book online prioritising services such as theatre and cinema ticket sales and sport and fitness courses and classes</li> </ul>	<b>achieved</b> (by end 2018)
<ul style="list-style-type: none"> <li>Ensure a priority for improvement is our electronic point of sales systems, which allow us to chart customer usage across our services</li> </ul>	<b>good progress</b>
<ul style="list-style-type: none"> <li>Develop a clear understanding of our future needs and create a prioritised plan that allows us to improve our working culture, make best use of creativity and innovation, and manage information</li> </ul>	<b>good progress</b>
<ul style="list-style-type: none"> <li>Allocate resource to drive our ICT improvements forward and give careful consideration to the implications of our plans on financial resources and systems support services</li> </ul>	<b>achieved</b> continuing development
<ul style="list-style-type: none"> <li>Complete an ICT Strategy to plan and prioritise all of the above</li> </ul>	<b>commenced</b>

<b>Venues and programmes we said we would:</b>	<b><i>Our progress</i></b>
<ul style="list-style-type: none"> <li>Be a key player at the Council’s Asset Management group and active in our advisory role</li> </ul>	<b>achieved</b> continuing development

<ul style="list-style-type: none"> <li>Develop a fully costed and prioritised Asset Management Plan that will cover our venue leases</li> </ul>	<b>good progress</b>
<ul style="list-style-type: none"> <li>Monitor and respond to trends and identify opportunities for new programmes and uses of venues where roi can be optimised</li> </ul>	<b>good progress</b>
<ul style="list-style-type: none"> <li>Make sure we develop programmes that allow geographic access, create thematic content and encourage people to progress, maintaining a balance of both facility based and development activity and populist with more challenging content</li> </ul>	<b>good progress</b>
<ul style="list-style-type: none"> <li>Take a lead role in co-ordinating programme provision with others, be willing to innovate more and introduce new content, taking risks where considered manageable</li> </ul>	<b>good progress</b>

<b>People and the Organisation we said we would:</b>	<b>Our progress</b>
<ul style="list-style-type: none"> <li>Embed and grow the company culture, values and ethos</li> </ul>	<b>achieved</b>
<ul style="list-style-type: none"> <li>Roll out employee development action that fully engages all employees and supports them to meet the Trust's objectives</li> </ul>	<b>commenced</b>
<ul style="list-style-type: none"> <li>Implement performance management more robustly across the organisation</li> </ul>	<b>commenced</b>
<ul style="list-style-type: none"> <li>Offer increased levels of volunteering to provide preparatory work experience for young people, to benefit those seeking to change employment prospects, and enhance older people's community contribution and wellbeing</li> </ul>	<b>achieved continuing development</b>
<ul style="list-style-type: none"> <li>Ensure we have the appropriate mix and blend of effective and value for money support services to meet our business needs</li> </ul>	<b>no progress</b>

<b>Planning Together we said we would:</b>	<b>Our progress</b>
<ul style="list-style-type: none"> <li>Seek to gain a better understanding of our social return on investment</li> </ul>	<b>completed by others shifted focus to health &amp; wellbeing</b>
<ul style="list-style-type: none"> <li>Engage with partners to share any available research that would help us better understand community needs and be open to joint commissioning of research</li> </ul>	<b>good progress</b>
<ul style="list-style-type: none"> <li>Work with an increased range of local and national partners who ideally will describe us as excellent partners to work with</li> </ul>	<b>good progress</b>
<ul style="list-style-type: none"> <li>Ensure a wide range of views and contributions are taken account of in the Delivery Plans to implement "Inspiring Active Lives"</li> </ul>	<b>achieved</b>
<ul style="list-style-type: none"> <li>Build in accessible opportunities for engagement of communities and customers in our planning for improvement from the outset</li> </ul>	<b>commenced</b>
<ul style="list-style-type: none"> <li>Grow our presence and influence within the community planning framework</li> </ul>	<b>achieved</b>

We are pleased with the progress that we've made but the second Business Strategy places a greater emphasis on upping the pace of change and transforming the organisation more fundamentally to better fit and respond to the world in which we operate now.

### **A new Business Approach**

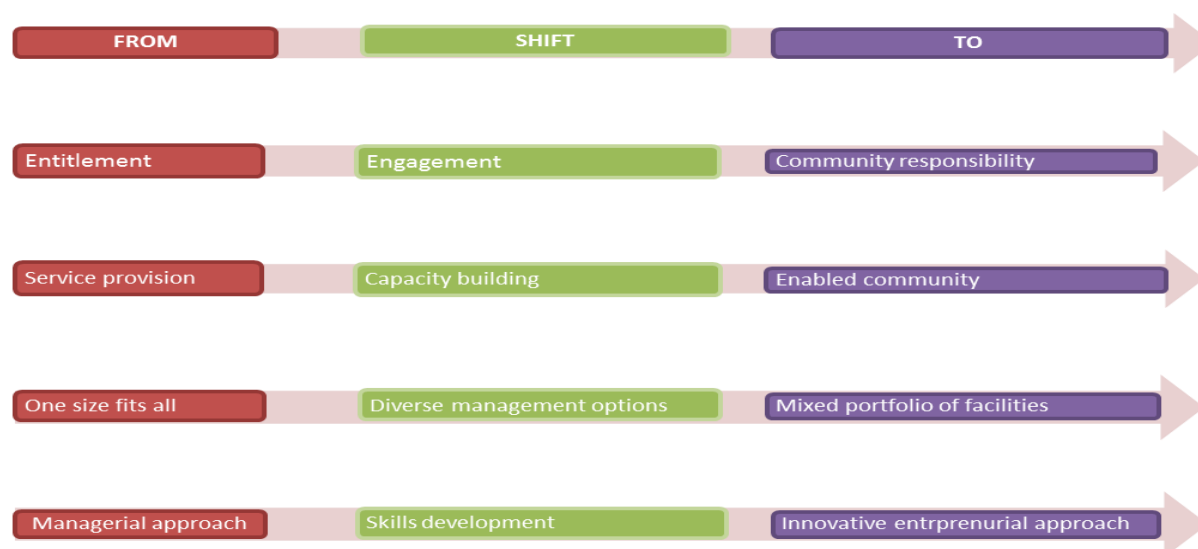
We and many other organisations that work within or on the fringes of the public sector are experiencing very challenging times. We are working in a world we cannot control, with funding we cannot guarantee and with constantly evolving technology in an ever more digitally driven community. Core funders, in our case Falkirk Council, are often beholden to Scottish and UK Governments for funding settlements and the public purse is very stretched to meet the demands of many competing voices.

So the picture is one of continued austerity, reduction in our core funding, a decline in asset condition and out of date technology. Despite this we have demonstrated growth in our customers and customer income and customer loyalty is strong and sustained.

Against the background described above, in 2016 we took action to look at ways we could adapt and transform – both the work we do and the way we work with others. We examined the prevalent context we were operating in and saw a system (internally and externally) that was not sufficiently innovative or flexible to be able to exploit opportunities emerging in this changing world. We looked forward at the future horizon and visualised what these opportunities could be and how we needed to transform in order to create new systems through new ways of working.

We were guided through this work using “Transformative Innovation” tools developed by the International Futures Forum (IFF). A Three Horizons Model was created and from it we developed and published our Business Plan Approach in 2017 (The Approach).

In The Approach we summarised the shifts that are required to transform as illustrated in the diagram below.



The two key strands for implementing The Approach are Community Engagement and Income Focus. These areas of focus came about following an in-depth review of facility performance and the role each facility played in the community. We concluded that there was potential for both greater community involvement and for securing untapped income growth. The alternative to this approach was to reduce the asset base through withdrawal.

We believe The Approach we identified is pragmatic. It spreads responsibility and involvement across a greater number of charitable and community organisations, allows the Trust as lead body on culture and sport to focus on developing core services and growing leadership and community development capacity. We also believe The Approach is not an ‘easier option’, it could be argued that it is more complex. What is of appeal is that it presents the most viable option for protecting key services for people in the Falkirk area.

We've made progress in both Income Focus and Community Engagement since we published The Approach and indeed when looking back over the life of our first Business Strategy we can identify that seeds of change were already emerging in 2014. We've captured the essence of this in the diagram on page 16.

### ***What we've learned***

Ten key learning points that have driven direction for the development of the Strategy 2019-2024 are set out below:

1. Time spent planning with partners has been invaluable but the success of this will be evidenced through joint work that addresses community needs;
2. That tough decisions require to be made on the future of built assets and all opportunities should be thoroughly assessed against the widest community need;
3. Good business ideas are abundant, getting them converted to reality must become much faster to deliver on business growth targets by focussing on fewer but more lucrative options;
4. Commercial acumen and sound investment decisions drive robust business cases and seeking external skills and advice is worthwhile;
5. Flexibility and creativity in new programme development has attracted increased participation but may not be reaching those who would benefit most;
6. Time and resource invested in new technology is set to bring business benefits and needs to be kept up to date to be easy for all to use and work to maximum capacity;
7. There is a widespread appetite for volunteering that provides a great foundation for community engagement;
8. Taking volunteering to the next level of involvement in facility management is a big ask but patience and good support levels help;
9. Learning through collaborating with community organisations is helping develop a wider perspective and build engagement skills of some staff but is patchy across the Trust;
10. Recognising and celebrating achievement must not be undervalued and is a great motivator for all.

## FCT : Inspiring Active Lives



KEY: This diagram is created in the style of the SHINE project narrative to illustrate the progress over time in a number of key areas for Falkirk Community Trust – Business Approach, Community Engagement and Income Focus. The scale is illustrative, however the income and volunteer figures are actual

## OUR PLANNING FRAMEWORK AT A GLANCE

The 10 year area wide Strategy	<b>“Inspiring Active Lives” A Culture and Sport Strategy for Falkirk”</b> <i>A plan with four key <b>themes</b> for action across all culture and sport sectors that will be implemented through a series of <b>partnership Delivery Plans</b> led by the Trust</i>					
	Participation	Motivation	Venues	Partnership		
Our 5 year Business Strategy	<p>Our aim is that by 2024:</p> <p><i>Falkirk Community Trust will be operating from venues that people want to use, with a more responsive programme offering better quality for our customers. We will be a trusted and valued organisation, secure in our role as a leader for culture and sport and with diminishing reliance on Council funding; we will be more flexible, entrepreneurial and commercially minded. We will have created champions for culture and sport and have loyal volunteers and a workforce who motivate a huge cross section of the community to take part in culture and sport that improves their lives.</i></p>					
Our Objectives for 5 years	<b>Meeting Our Customer ‘s Needs</b> <i>People are at the heart of everything we do, be they customers or potential customers</i>	<b>Ensuring Financial Viability</b> <i>Being efficient and effective and operating with our means</i>	<b>Growing our leadership and community development capacity</b> <i>Some of our focus needs to move from managing to leading and facilitating</i>			
Our Priorities for 5 years	Planning & Working Together	Encouraging Health & Wellbeing	Raising Image and Profile	Generating Income	Creating Business Efficiency	Developing People
Our 5 Annual Business Action Plans	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	
Our Unit Action Plans and Business Strategies	<i>A suite of plans for individual business operating areas and cross cutting plans for Trading, Programmes &amp; Events, Marketing and Helix are guided by the Business Strategy, Annual Business Action Plans, Marketing Strategy and Fundraising Strategy</i>					

Falkirk Community Trust gratefully acknowledges the support of Falkirk Council



## **Business Plan 2019 – 2020**

### **Fees & Charges 2019/20**

#### **1. Introduction**

- 1.1 Much work has been undertaken in preparation for the implementation of the Trust's fees and charges for 2019/20 and follows the Audit and Performance Sub Group's consideration of early proposals at their meeting on the 16th of August.

#### **2. Background**

- 2.1 A review of charges is undertaken each year and takes into account consultation with relevant groups of staff, reference to customer feedback and any relevant information from other comparable services, however there remains a focus on the generation of additional income.
- 2.2 The charges review process attempts to adhere to the previously adopted 'key principles' from November 2012 as shown below:
  - FCT 'charges' should not be seen by potential customers as a 'barrier to their participation'.
  - Concessionary charges should ensure that those who can least afford to pay for our services are supported the most.
  - FCT charges should be easily accessible and simple to understand.
  - The timing of the introduction of any revised charge should consider the impact they will have on customers.
  - Charges can be flexible with the ability to offer promotional discounts at appropriate times to actively promote new services or boost falling attendances.
  - Charges will be levied which fully considers local competitors and neighbouring Trusts' and Local Authorities' charges.
  - Charges will enable improved levels of income generation, where market rates and the ability of our customers to pay, allow.
- 2.3 A key objective of ensuring that customers perceive the services being delivered as representing good 'value for money' remains in place.
- 2.4 To ensure the Trust supports those in the community with the greatest needs, the Trust continues to place a strong emphasis on ensuring that the concessionary charges set out within the Go Card scheme are at realistic and affordable levels.
- 2.5 This review is set against the Trust's 2018/19 performance, the ongoing reduction to the Trust's allocation of funding from the Council, the number of competitors in the marketplace, a desire from the Council to maintain our prices at relatively low levels and of course the current condition of Trust operated facilities.
- 2.6 The 'price point' for Trust services has proved to be a vital part of our marketing strategy and whilst work continues to ensure that prices are not a 'barrier to participation', the Trust continues to strive to increase the amount of income generated to reduce its reliance on Council support, through increased levels of income.

- 2.7 An early review of the Trust's charging proposals is normally considered by the Audit and Performance Sub Group at its August meeting, as part of the Trust's annual business planning process for approval by the Board at their meeting in November each year and for subsequent agreement by Falkirk Council.

### **3. Review Process**

- 3.1 The Trust's Charges Working Group, which is made up of front line, supervisory and managerial staff, representing each of the Trust's key service areas, review the current charges in anticipation of implementing new charges in 2019/20.
- 3.2 The group referred to the adopted key principles throughout the review process and this year focussed on the following areas which they believed needed specific consideration:
- Appropriate inflationary increases being applied to charges, but only where it is felt appropriate to do so, to reduce the potential risk of a reduction in participation levels.
  - Health and Fitness charges, in relation to our need to remain competitive within the marketplace.
  - The introduction of new charges for the planned Mariner Softplay facility.
  - The ongoing review and need for flexibility in the community programme in outdoor activities to ensure its ongoing viability.
  - A review of the existing 'Go Card' concessionary categories and charges in relation to the anticipated changes as a result of the introduction of the U.K.'s national 'Universal Credit' scheme.
  - Potential income generating opportunities at the Hippodrome through the introduction of a loyalty scheme and a 'seat sponsorship' proposal.

### **4. General Proposals and Implications**

#### **4.1 Inflationary Increases**

- 4.1.1 An average inflationary increase was previously added to the majority of standard Trust charges. However, in recent years, an increasing number of specific price changes have been made which either significantly reduced, or increased, charges where it was felt appropriate to do so, given market rates, comparison with others and the need to increase income levels. The Consumer Price Index and the Retail Price Index have both been referred to in previous reviews; however, very often a 1% increase proved impractical to implement as such an increase only represented an actual increase of 1p on a price of £1, which would prove difficult for both our customers and staff alike. Similarly, to increase some of our smaller charges by this amount would have little monetary effect. Once again the charges will be considered more from a marketing perspective, with the potential percentage change only then being considered against inflationary rates and comparable charges being charged by others.

#### **4.2 Health and Fitness Charges (current annual income approx. £1.5m)**

- 4.2.1 The revised Health and Fitness related charges are normally implemented in January of each year, to maximise the income generated from our annual January membership sales campaign. Our membership sales in 2018/19 have been the most successful since the Trust's inception however it is planned to focus on retaining existing members in 2019/20.

- 4.2.2 In the years of the Trust, peak membership charges have generally either been frozen, or in some years reduced, as part of a general drive to improve loyalty amongst existing members and to remain competitively priced when compared with others in the marketplace. The significant growth in income levels that has been achieved to date has reinforced the need to retain this tactic in 2019/20, therefore it is proposed that peak membership charges will be frozen in January 2019.
- 4.2.3 The number of off peak memberships has reduced over the years, given the closure of the price gap between peak and off peak prices and the drive to upsell to peak offers, to the extent that it is proposed that off peak memberships will no longer be offered. However the existing off peak membership categories will be retained for the benefit of existing customers. These will however reduce over a period of time. It is considered that at traditional off-peak times, members are able to access the facilities at quieter periods of use and therefore potentially experience a premium service that should not be available at a discounted price.
- 4.2.4 The very popular 'fitness class only' membership will be increased by £1 from £31 to £32 per month, simply due to its popularity and to encourage such members to upgrade to a full peak membership at £34 per month.
- 4.2.5 Trust memberships are able to be cancelled at any time, which is an attractive option to potential customers who often have to commit themselves to long periods of time with commercial operators. Normally all health and fitness operators charge a joining fee and the Trust is no different in that such a charge enables a full induction to the gym and the preparation of a programme card that supports the customer as they work towards their fitness goals. The Trust has not increased this particular charge in some years and now intend to increase this from £15 to £17.50, with Go Card scheme members being charged the new price of £12.50 from the current price of £10.
- 4.2.6 One of the Trust's most successful offers is the Active Forth programme that has seen an increase of approximately 53% in the last two years. As this programme is proving so popular for those who are in need of personal support to enable them to return to a position of improved health, the monthly memberships of £21 per month will be frozen. However to encourage additional membership purchases, the highly specialised single session prices will be increased.
- 4.2.7 The promotion of the health and fitness services should ensure that the Trust's unique selling points (USPs) of access to a number of gym facilities along with hundreds of fitness class options, free parking, experienced and qualified instructional staff in attendance at all times, no long term financial commitment style of membership and the additional benefits of our ancillary facilities such as unlimited casual swims and sauna access, is maximised.

#### 4.3 **Mariner Softplay Facility (estimated annual income approx. £200k)**

- 4.3.1 The opening of the Mariner Softplay facility on the 21<sup>st</sup> of September this year, required the introduction of a new set of charges, which were significantly different from the charges for the much smaller softplay areas within the Mariner and Grangemouth Sports Complex, when compared with the larger and improved quality of the Mariner's 'Great Barrier Reef' facility. A review of other competitor charges was undertaken as part of the preparation of the project's Business Case, however this new product is viewed as a 'destination softplay' facility with charges having already been introduced that are comparable with the commercial sector, with examples of key charges being shown below:

	<u>Off Peak</u>	<u>Peak</u>
• Under 1 year of age	£1.00	£1.00
• Under 3 years of age	£3.50	£5.50
• 3-12 years of age	£5.00	£7.50
• Swim & Softplay	£7.30	£9.80

- 4.3.2 Monthly membership is encouraged with a monthly charge of £9.99 being introduced that enables unlimited access to the softplay facility. Similarly, 'Go Card' concessionary charges have also been introduced to support customers who may be in need of financial support. Close monitoring of attendances and income being generated is being undertaken to enable changes to be made quickly if thought appropriate.

#### 4.4 **Outdoor Activities Programme (current annual community income approx. £32k)**

- 4.4.1 The evaluation of the 'true costs' associated with the provision of a community programme in outdoor activities has been undertaken, which has led to a review of the activity prices, to ensure that this aspect of the service 'breaks-even'. This has had the result of significant increases being applied to some of the activities, especially where those are being delivered at distant locations and those with higher staff to customer ratio requirements. Similarly, some activity sessions have been withdrawn to avoid any unbudgeted costs being incurred.

#### 4.5 **'Go Card' concessionary scheme in relation to UK Universal Credit Scheme**

- 4.5.1 Trust staff continue to monitor the ongoing implementation of the Universal Credit (UC) scheme throughout the country to ensure that any amendments that need to be considered for the Trust's existing Go Card concessionary scheme can be introduced. However, the introduction of the UC scheme has been patchy and at this time has not impacted on our existing Go Card members. There has been discussion in relation to how UC benefit holders may be able to provide evidence that they are in receipt of UC benefits and this remains to be resolved, however this particular aspect will impact on many more organisations than the Trust. Potential issues will be considered as and when they arise.

#### 4.6 **Hippodrome Opportunities (current annual income approx. £153k)**

- 4.6.1 The additional income generating opportunity, through the introduction of a loyalty scheme at the Hippodrome, has been considered. A 'More Hippodrome' loyalty scheme, (similar to that adopted by the Macrobert, GFT and Filmhouse Edinburgh), will ensure that those customers who purchase an annual More Hippodrome card will purchase each cinema screening ticket at a reduced cost, when compared to the new standard charges that more infrequent customers will pay. The More Hippodrome charges would reflect the current charges, (with an inflationary increase), with the standard charges being approximately £1 to £2 above the cardholders charges. A customer would only have to visit the Hippodrome once per month to 'break-even' and

in this respect it is believed that the More Hippodrome scheme will prove to be popular.

4.6.2 It is intended that a 'More Hippodrome' loyalty scheme be introduced from April 2019 that will enable us to:

- Reward customer loyalty.
- Secure advanced income through purchase of the More Hippodrome card.
- Allow for increases to Trust standard prices, relative to our competitors, without alienating loyal/regular customers, to generate increased levels of income.
- Establish an engagement platform with customers through which we can share customer benefits/offers throughout the year.

4.6.3 Benefits to customers would be as follows:

- Lower than standard charge tickets per screening.
- % discount at the Hippodrome café/ bar.
- Local business discounts to the benefit of both the Trust and local businesses.
- Recognition of their loyalty to the Hippodrome.
- A more financially sustainable Hippodrome.

## **5. Conclusions**

- 5.1 This report only highlights the significant changes to Trust charges in 2019/20, as there are many other adjustments which will be made.
- 5.2 Once again there is a significant budgetary pressure on the Trust to generate additional income in 2019/20 and in this respect much work has been undertaken to determine the most appropriate activity charge, with the opportunity being taken to maximise income from those areas that are valued by existing customers.
- 5.3 It is expected that the actions proposed in this annual review of fees and charges will deliver additional income in 2019/20, assuming participation levels are retained at existing levels. However, such additional income has not been assumed within the Business Plan report, as it is intended that such income will help reduce any existing gaps between actual income generated and budgeted income projected.



## Business Plan 2019 – 2020

### Capital Programme 2019-20

#### 1. Introduction

- 1.1 The Council has allocated £522k of funding to the Trust for 2019/20 from its General Capital Programme, whilst referring to the need for projects to acknowledge the Council's 'Council of the Future Framework' and the Council's strategic priorities.
- 1.2 The Trust's Capital Programme consists of projects that result in one or more of the following outcomes and this approach has been maintained in the 2019/20 process:
- Resolution of appropriate health and safety related matters
  - Ensure facilities or services continue to operate
  - Retention of existing levels of usage and/or income.

It is also intended that the delivery of projects that meet the aforementioned criteria would also improve the customers' experience and in the attraction of additional income.

#### 2. Capital Programme Allocation

- 2.1 The Council's process required the Trust to submit individual capital programme 'bid applications' and these were submitted by the deadline of the 13<sup>th</sup> of July 2018 as described below:

<u>Facility/Service</u>	<u>Item</u>	<u>Costs</u>
G/mth SC	Fire Alarm	£30k
Muiravonside	Upgrade sentinel taps and lighting following EH report	£12k
G/mth TH	Installation of fire stop ceiling under the stage	£ 7k
G/mth SC	Repairs to roof sections showing water ingress	£98k
FTH	Exterior paving replacement	£15k
G/mth TH	Gutter and rhone repairs and replacement	£ 5k
G/mth TH	Toilets (Abdeil) refurbishment to repair water damage	£ 5k
G/mth TH	Upgrade of kitchen extractors	£ 2k
Larbert Lib	Replacement CCTV	£ 6k
G/mth Stad	Replacement CCTV	£ 5k
Polmont SC	Squash court repairs & refurbishment	£ 7k
Falkirk Lib	Modernise Junior section to accommodate colocation	£40k
Falkirk Lb	Create a flexible events area to accommodate colocation	£ 8k
Carron Gymnastics	Upgrade reception & furniture for GP room	£10k

G/mth Stad	Wheeled cover for pole vault equipment	£12k
Hippodrome	Additional funds for new catering and reception layout	£50k
G/mth SC	Installation of ceiling mounted basketball backboards	£10k
G/mth SC	Resurface and reline car park	£20k
Helix	Provision of outdoor catering facility	£50k
Callendar House	Improvements to signage/car park to maintain 5 stars	£50k
G/mth TH	Replacement lights in main hall, bar and foyer	£30k
Marketing	Provision of large scale external banners/signs	£50k
<b><u>TOTAL</u></b>		<b><u>£522k</u></b>

2.2 This total allocation has previously been approved by Falkirk Council as part of their three year programme; however, it is left to the Trust to confirm its intentions as part of its annual Business Plan and the list shown in 2.1 forms part of the Trust's plans that help achieve the three objectives shown in 1.2.

2.4 However, in recognition of the relatively poor condition of many Trust operated facilities, eleven additional bids have been submitted to the Council at a total cost of £1.997m, to reflect the estimated costs of the maintenance backlog, to help return the facilities to an appropriate condition as shown below:

<u>Facility/Service</u>	<u>Item</u>	<u>Costs</u>
Falkirk Town Hall	Replace plant and associated infrastructure items	£742k
Bo'ness RC	Replace mechanical and electrical plant	£300k
G/mouth Museum store	Refurbish roof, windows, doors and lighting	£145k
Bo'ness Town Hall	Refurbishment of windows, toilets, lighting etc	£61k
Callendar House	Upgrade heating plant	£50k
Falkirk Library	Refurbishment of rooflights, stonework and toilets	£36k
G/mouth Town Hall	Refurbishment of toilets	£40k
Inchyra Pavilion	Replace areas of roof	£20k
Muiravonside CP	Replace fascias, slating and stonework to farm buildings	£38k
Polmonthill Ski Slope	Regrade and replace matting to slopes	£130k
Bo'ness RC	Resurface and reline car park	£85k
Hallglen Sports Hall	Replace heating and ventilation and refelt areas of roof	<u>£350k</u>
		<b><u>£1.997m</u></b>

### **3. Conclusions**

- 3.1 Regular monitoring of the progress being made with the Capital Programme projects occurs both internally and with Council colleagues, on whom the Trust depend for many of the projects' completion.
- 3.2 Although actions are being taken to progress each of the 2018/19 items, these must remain flexible, as often in the past facility breakdown and plant and machinery failures occur unexpectedly, given the relatively poor condition of the portfolio of facilities currently operated by the Trust.
- 3.3 The Trust remains concerned about the condition of many of the Council's key facilities, which are operated by the Trust, given the scale of the backlog of maintenance items and the annual average investment of only circa £522k from the Council's Capital Programme to help support the ongoing operation of many sites in the short to medium term period. Recent cognisance has been taken of the future implications of such deterioration, with senior Trust staff currently supporting Council colleagues to ensure that relevant asset management performance indicators are utilised and considered when future capital programme allocations are being prepared.
- 3.4 The Trust operated facilities are being considered as part of the Council's strategic property review, which is currently exploring how best the Council should manage its assets within the context of their need to reduce facility costs. A member/officer working group oversees the Council's strategic property review and senior Trust staff will continue to provide all necessary information requested and provide appropriate advice on all culture and sport matters in this respect.

**2019/20 Community Trust Budget****Service - Objective Analysis**

	2018/19 Budget Outturn Prices £	2019/20 Budget September 2018 Prices £	2019/20 Budget Outturn Prices £
Arts	1,098,610	1,038,610	<b>1,072,590</b>
Business Development	1,242,580	1,437,200	<b>1,469,340</b>
Helix	801,760	755,280	<b>777,920</b>
Heritage	568,240	568,240	<b>579,940</b>
Libraries	2,462,010	2,462,010	<b>2,516,610</b>
Parks	1,385,850	1,435,850	<b>1,474,600</b>
Restricted Funds	140,570	140,570	<b>154,120</b>
Sports & Fitness	3,301,220	2,799,660	<b>2,992,050</b>
Trading	0	(278,770)	<b>(244,360)</b>
<b>SERVICE PAYMENT</b>	<b>11,000,840</b>	<b>10,358,650</b>	<b>10,792,810</b>

## 2019/20 Community Trust Budget

### Service - Subjective Analysis

	2018/19 Budget Outturn Prices £	2019/20 Budget September 2018 Prices £	2019/20 Budget Outturn Prices £
<b><u>EMPLOYEE EXPENSES</u></b>			
SJC Employees	12,125,690	12,059,290	12,418,970
Indirect Employee Expenses	235,900	235,580	238,750
<b>Total Employee Expenses</b>	<b>12,361,590</b>	<b>12,294,870</b>	<b>12,657,720</b>
<b><u>PROPERTY EXPENSES</u></b>			
Repairs and Maintenance	481,800	481,800	488,750
Maintenance of Grounds	94,910	94,910	96,010
Grnds Maint Internal Recharges	180,960	180,960	183,610
Energy Costs	975,420	980,780	1,008,320
Rents	74,940	74,940	74,940
Water Services	180,260	180,260	181,980
Fixtures and Fittings	70,340	70,340	70,340
Cleaning & Domestic Supplies	298,780	299,280	305,360
Property Insurance	1,050	1,050	1,050
Other Property Expenses	2,480	2,480	2,480
<b>Total Property Expenses</b>	<b>2,360,940</b>	<b>2,366,800</b>	<b>2,412,840</b>
<b><u>TRANSPORT EXPENSES</u></b>			
Direct Transport Costs	9,560	9,560	9,560
Transport Recharges	145,590	145,590	149,340
Transport Insurance	27,140	27,140	27,820
<b>Total Transport Expenses</b>	<b>182,290</b>	<b>182,290</b>	<b>186,720</b>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Equip, Furniture and Materials	1,363,150	1,254,420	1,254,420
Training Materials	13,500	13,500	13,500
Services	1,495,230	835,830	842,660
Catering	529,160	680,130	692,630
Clothing, Uniforms & Laundry	34,730	34,230	34,230
Printing, Staty & Gen Off Exps	160,000	160,150	160,370
Communications & Computing	329,130	318,430	319,720
Loans Fund Revenue Expenditure	16,030	16,030	16,030
Miscellaneous Supplies	664,120	699,540	699,540
<b>Total Supplies &amp; Services</b>	<b>4,605,050</b>	<b>4,012,260</b>	<b>4,033,100</b>
<b><u>THIRD PARTY PAYMENTS</u></b>			
Internal Recharges	457,690	381,040	381,040
Other Agencies	15,020	15,020	15,020
<b>Total Third Party Payments</b>	<b>472,710</b>	<b>396,060</b>	<b>396,060</b>
<b><u>SUPPORT SERVICES</u></b>			
Central Support Recharges	762,130	762,130	762,130
Departmental Recharges	44,010	44,010	44,010
<b>Total Support Services</b>	<b>806,140</b>	<b>806,140</b>	<b>806,140</b>

## 2019/20 Community Trust Budget

### Service - Subjective Analysis

	2018/19 Budget Outturn Prices £	2019/20 Budget September 2018 Prices £	2019/20 Budget Outturn Prices £
<u>CAPITAL COSTS</u>			
Capital Charges to Services	93,690	93,690	<b>93,690</b>
<b>Total Capital Costs</b>	<b>93,690</b>	<b>93,690</b>	<b>93,690</b>
 <b>TOTAL EXPENDITURE</b>	 <b>20,882,410</b>	 <b>20,152,110</b>	 <b>20,586,270</b>
 <u>INCOME</u>			
Other Grants, Reimburse & Conts	(803,680)	(803,680)	<b>(803,680)</b>
Customer and Client Receipts	(6,259,570)	(6,760,560)	<b>(6,760,560)</b>
Rents Received	(46,240)	(46,240)	<b>(46,240)</b>
Loans Fund Revenue Income	(18,000)	(18,000)	<b>(18,000)</b>
Miscellaneous Income	(1,689,680)	(2,164,980)	<b>(2,164,980)</b>
Net Expenditure in Year	(1,064,400)	0	<b>0</b>
<b>Total Income</b>	<b>(9,881,570)</b>	<b>(9,793,460)</b>	<b>(9,793,460)</b>
 <b>SERVICE PAYMENT</b>	 <b>11,000,840</b>	 <b>10,358,650</b>	 <b>10,792,810</b>