

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest is shield-shaped and divided into four quadrants. The top-left quadrant shows a sailing ship on the water. The top-right quadrant shows a stag's head with antlers. The bottom-left quadrant shows a beaver. The bottom-right quadrant shows a grizzly bear. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto "A NE FOR A".

Agenda Item 9

Review of Integrated Services

Falkirk Council

Title: Review of Integrated Services

Meeting: Falkirk Council

Date: 28 September 2022

Submitted By: Director of Transformation, Communities & Corporate Services

1. Introduction

- 1.1 The purpose of this report is to update Members on the work undertaken to achieve savings, following the integration of Falkirk Community Trust services. Member approval is also being requested for community and workforce engagement on some of the options.

2. Recommendations

2.1 The Executive is asked to:

- (1) Note the work being done within sport & leisure to increase income**
- (2) Agree to delegate the review of fees and charges within sport & leisure facilities to the Director of Children's Services on an ongoing basis, provided this does not have a detrimental impact to those who may be in poverty**
- (3) Agree that the Director of Children's Services should continue to monitor the opening hours of sport & leisure facilities to ensure these are responsive to customer demand**
- (4) Note the operational savings being implemented within Library services.**
- (5) Agree that Library services develop a five-year strategic action plan (based on community and employee engagement) which will implement the remainder of the saving proposals outlined in paragraphs 5.13-5.14, with progress being reported back to Members**

3. Climate Impacts

- 3.1 The recommended decisions in this report do not in themselves give rise to any material implications for the Council's climate change targets and obligations. The subsequent changes that may arise from community and workforce engagement on the library service, may have a positive impact if they result in more efficient use of buildings. A fuller assessment will be made once the proposals based on the engagement are known. The climate

impact of the Arts & Heritage proposals is covered in the separate report being presented to Council.

4. Background

4.1 The Best Value Action Plan set out the following actions in relation to Falkirk Community Trust:

- Ensure that the Falkirk Community Trust employees, services, projects and assets are successfully integrated into the Council (**this action is now complete**)
- Ensure the potential opportunities and benefits of integration are used as a basis for transformation, by integrating Falkirk Community Trust services into the Council of the Future programme and specifically the Strategic Property Review – by September 2022
- Conduct an initial review of former Falkirk Community Trust services, alongside existing services in the new integrated structure, to identify early opportunities for transformation, service improvements, efficiencies and savings, building on the new skill sets now available to the Council – by October 2022

4.2 In addition, within the budget report presented to Members in March 2022, the Council committed to achieving c£750k of recurring savings from the integration of Falkirk Community Trust services.

4.3 The areas of service delivery covered by this includes sport & leisure, arts & heritage and library services.

4.4 To progress this work, a Group was established which included representatives from all Services. This included all Directors, the Head of Housing & Communities, a Finance representative, and a PMO representative. The Group was chaired by the Director of Transformation, Communities & Corporate Services.

4.5 Transforming what we do in a positive way for our communities, whilst achieving savings, were the key drivers for the work of the Group. The financial position of the Council, as reported to Members, cannot however, be ignored and was considered in developing options. The Group also reviewed and considered various other factors which included but was not exclusive to:

- Previous options presented to Members from the Trust and the views expressed by Members on these
- The budget position of the areas being integrated
- The ways in which these areas could be further integrated with existing Council services to achieve transformational change
- The views of the relevant managers and officers within the areas of service delivery being considered
- The current market in which the services are operating

- 4.6 The Group were also acutely aware of the Council's financial position. As a result, Directors agreed to aim for overall savings of £400k from each Service. This would enable the £750k to be achieved, plus additional savings which would contribute to the budget gap.
- 4.7 It is also important that all options support the wider range of changes the Council is aiming to achieve. For example, any changes to the way in which we deliver services must be considered within the context of the Strategic Property Review, ensuring that it supports the overall plans for building usage as we go forward. Consideration must also be given to the Council's strategy for Town Centre Regeneration, when considering changes to services delivered in our Town Centres. These factors are taken into account within the options being presented.

5 Proposed Way Forward

- 5.1 This section considers each of the functional areas in turn and sets out how the proposed savings can be achieved.

Sport & Leisure

- 5.2 In reviewing sport & leisure, Children's Services reviewed the current performance of facilities which had reduced during the period of lockdown. They also considered the current Local Government Benchmarking information which shows that the cost per visit to sport & leisure facilities is currently c50% higher than the average cost per visit across Scotland. Whilst lockdown will have impacted on this figure, it still demonstrates a real need for change.
- 5.3 Work has since been done to ensure performance of facilities is running at pre-pandemic levels. New marketing and other opportunities to increase the customer base and footfall has also been considered. In this context it is essential that facilities operate on a commercial basis, reviewing venue and facility charges; these must be agile to respond to the increasingly changing context of external competitors.
- 5.4 A range of new developments are being introduced to support this work. This includes the introduction of a new electronic booking and point of sale system, enhancement of health & fitness studio facilities within venues, increased promotion of relevant venues for other uses and a review of facility charges. This work will generate a projected increase in income of c£110k.
- 5.5 The review of fees and charges and the ability to ensure these remain flexible are essential to this. Work continues to be undertaken to review the fees and charges of competitors. In the current market, these do however, change quickly. It is important that Children's Services can respond to this in an agile way and make changes to the fees and charges if sport & leisure is to attract and retain new business and customers. Members are therefore asked to delegate the setting of fees and charges within sport & leisure facilities on an ongoing basis.

- 5.6 This will ensure that quick changes can be made where required, taking account of the external market and inflationary pressures. The caveat, however, is that such changes should not impact on those individuals and families who are in poverty, and the Council's Charges and Concessions policy will apply in these situations.
- 5.7 In addition to these changes, customer demand is being assessed to inform the opening hours of venues. Within sports complexes and sports centres, the opening hours were reviewed and amended, when they re-opened following the covid pandemic. Customers are now familiar with the current opening hours which have caused minimal disruption. These revised opening hours will be retained, and further customer engagement will take place to inform the future opening hours of facilities. This will ensure facility opening hours are responsive and reactive to customer demand, making best use of the facilities and reducing costs where customer feedback shows this to be appropriate. This approach has enabled the Council to ensure its sport & leisure facilities are more cost effective with in-year savings of £140k projected as a result of the changes already in place.
- 5.8 A further area being considered by Children's Services is Denny Football Centre. This has been closed since March 2020. If the centre were to re-open, it would require significant investment to undertake essential repairs and to ensure it was operating at a safe and acceptable standard. The previous users of the Centre are currently using alternative facilities. Children's Services are currently proposing to declare this Centre surplus to operational requirements. If this is agreed by the Education, Children & Young People Executive then the asset would be passed to the Council's Asset Management Team to consider the options for disposal. If this proposal is agreed, it is projected that it would result in savings of c£30k. In summary, the potential savings for Sport & Leisure are:

	22/23	23/24
	Savings	Savings
Sport& Leisure	£'000	£'000
Increased Income	110	110
Facility Opening Hours	140	140
Denny Football Centre	30	30
	<u>280</u>	<u>280</u>

- 5.9 Beyond these savings, a five-year Leisure Plan is being developed by Children's Services.

Arts & Heritage

- 5.10 In reviewing Arts & Heritage, Place Services have considered the links with other key projects being progressed by the Council to ensure all options are aligned. For arts & heritage, there is a clear synergy with the HQ & Arts Centre work. Place Services have identified saving options totalling c£425k which are linked to changes to the provision of arts & heritage for communities.

- 5.11 Given the nature of these options, a separate report has been prepared for this meeting of Council, to seek Member approval on the way forward.

Libraries

- 5.12 Within the Library services transferred to Falkirk Council in April 2022, there are 8 libraries, a home visiting service and electronic lending of e-books and audio books. As at March 2022 there were 17,329 active members. In 2021/22 there were 157,049 active visits to the library, and a further 221,775 virtual visits. Libraries are valuable assets to our communities, providing the public with free access to the services they provide.
- 5.12 In considering the options for libraries, Transformation, Communities & Corporate Services (TC&C) have identified options to redesign the service whilst reducing the budget to run libraries. It is anticipated that c£425k can be achieved through savings or new income generation. Whilst these are ambitious, the options are realistic with the levels of savings/additional income proposed, considered to be achievable.
- 5.13 The following table summarises the proposals and possible savings.

What	Annual saving	Financial Year	How
Falkirk library/hub co-location	£16.8k	2022/23	This is now implemented. The Hub provides a contribution to library running costs
Refresh library ICT systems	£15k	2022/23	This includes moving to Council wifi, implementing a new Library Management System and cancelling systems that are no longer essential.
Change stock control system	£5k	2022/23	This will be implemented. Savings achieved through reduced repairs, maintenance and supplier stock processing costs.
Expand room hire and events in libraries	£8k	2022/23	Community groups using library spaces, author events, kid's activities and parties etc. Work is being done to progress this.
Review public access PCs	£13k	2023/24	Reduced licensing costs due to reduction in PCs. This will be implemented.

'Co-working hub in libraries – income	£2k	2023/24	Rent space in co-working Hub for a day/week/hour
Service structure redesign	£335k	2023/24	Redesign service and opening hours to meet community needs
Place-based co-location of services	£30k	2023/24	Provide other services alongside library services
Total	£424.8k		

- 5.14 In summary, the savings identified will achieve £45k in 2022/23 (recurring) and a further £380k in 2023/24 (also recurring).
- 5.15 With the exception of the final 2 options highlighted in bold, these savings are operational and will be implemented by the libraries team. Further work is now being done to ensure delivery of the savings and to confirm the final value.
- 5.16 For Members' information, the 'co-working hub' is intended to regenerate local economies and strengthen communities by supporting young start-ups, digital entrepreneurs, women/parents/carers back into work after career breaks following childcare, people running their own micro-companies etc. Being in a library environment offers benefits including use of print and e-resources, space to network, signposting to agencies like Business Gateway.
- 5.17 This would be a distinct space separate from the main public library which would remain free to access for all, in line with statutory requirements for public libraries. It would offer more than a desk, with access to meeting space, basic kitchen facilities and space to collaborate. Fees would be set at an attractive and affordable level. We would trial this approach in one Library before rolling out to other areas if successful.
- 5.18 It should be clarified that there is no intention to charge Council employees to work from the library if they are choosing to work from home as part of their post with the Council. The co-working Hub is intended for public use while Council staff would be expected to work from the staff areas of the buildings in line with other Council buildings.
- 5.19 The final two options (in bold) relate to the delivery structure, opening hours and location of libraries. There may be more cost effective and efficient ways

to deliver the library services. It is however, essential that we consider the best options to ensure we deliver what our communities need. To achieve this, it is proposed that we work with communities to develop a five-year strategic action plan for the library service, which will show how the service will help deliver the outcomes of the Falkirk Plan and 'Forward: Scotland's Public Library Strategy'.

- 5.20 To take this forward, it is proposed that we engage with our communities on what they need and want from library services. This will inform the development of the five-year plan, and the options we have available to deliver on the proposed savings set out above. This engagement will include those who do not currently use library services, as well as those who do. We will also consult with library services employees on the service redesign and its implications for service structures and roles.
- 5.21 In addition, we will work with other Council services, partner organisations and communities on options for place-based co-location of services, where appropriate. This will take account of the Council's strategic ambitions contained within the Strategic Property Review and Town Centre Regeneration strategy.

6 Consultation

- 6.1 The saving options contained in this report have been agreed by the Directors of Place, Children's, and Transformation, Communities & Corporate Services. Corporate Management Team has considered and agreed the options being presented. Discussions have also taken place, as appropriate, with relevant employees in the functional areas. Further community and workforce engagement will take place subject to Member agreement of the various options.

7 Implications

Financial

- 7.1 This report identifies potential savings of c£1m over the 2022/23 and 2023/24 financial years. The following table provides a summary of these.

Service	Savings achieved in 2022/23 (£000)	Additional Savings achieved in 2023/24 (£000)	Total Savings Achieved by 2023/24 (£000)
Children's Services Sport & Leisure	280	---	280
Place Services Arts & Heritage	---	*300	*300
T, C & C Services Libraries	45	380	425
Non-recurring savings	425	---	---
Target Savings to be Achieved from Options	325	680	1005
Savings beyond £750k requirement which will further contribute to budget savings		*255	*255

*NB – a further c£125k may also be achieved in 24/25, as set out in the separate report on Arts & Heritage

- 7.2 Investment required to achieve these savings has been considered. There are, however, staff implications in the options for both libraries and arts & heritage (see separate report) which may result in voluntary severance costs, depending on final proposals following engagement and decisions by Members.
- 7.3 Members will note that whilst the £750k savings for 2022/23 can be achieved, some of this is attributable to non-recurring savings across the former Trust Services. By 2023/24, the full £750k of savings can be achieved on a recurring basis.
- 7.4 The options do, however, provide further savings of c£255k which can helpfully support the work in bridging our financial gap, with the potential for a further £125k in 2024/25, subject to decisions and consultation on arts & heritage.

Resources

- 7.6 The proposals for sport & leisure will require officers to dedicate time to achieving higher attendance rates at facilities, to achieve the additional income. The proposals for libraries may require a reduction in Full Time Equivalent employees, depending on community and workforce feedback on the opening hours.

Legal

- 7.7 There are no legal implications arising directly from this report.

Risk

- 7.8 There are risks if the options presented are not agreed by Members, as the savings flowing from these contribute to the overall budget savings. If the options are not progressed, there would be an additional budget gap to add to the projections.

Equalities

- 7.9 There are no equality issues arising from the sport & leisure proposals. The equality implications for arts & heritage are set out in the separate report.
- 7.10 An Initial Equality and Poverty Impact Assessment of the redesign of library services, indicates a full assessment is required as the proposed changes will impact on people. This is currently underway and will be informed further by the engagement proposed within this report.

Sustainability/Environmental Impact

- 7.11 There are no specific sustainability or environmental issues arising from this report, although paragraph 3 on climate should be noted.

8 Conclusions

- 8.1 The budget presented to Members in March 2022 committed officers to achieving £750k of savings from the review of integrated services. Work has now been done by all Directors to identify options to achieve these savings. Whilst not all recurring savings can be achieved in 2022/23 due to the workforce and community implications, the proposals do provide for the full £750k of savings, plus additional savings, to be achieved in 2023/24, subject to Member approval.

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Appendices

None

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None