



Falkirk Community Trust

Business Plan Approach

2017-2020

November 2016

Company Registration No. SC400657 | Charity No. SC042403

INTRODUCTION

Falkirk Community Planning Partnership has published a Strategic Outcomes and Local Delivery Plan 2016-2020 (SOLD). It sets out the Partnership's commitment to focus its attention, resources and efforts on the things that will make our area '*The place to be*'. The Plan drives what key partners and stakeholders, including the Trust, will deliver for this area and its neighbourhoods. The Plan will be underpinned with a number of focussed delivery plans which will:

- Be based on evidence;
- Look to adopt a preventative approach;
- Ensure early intervention will be our priority wherever on a person's journey they are;
- Identify and address inequalities; and
- Wherever possible seek to co-produce solutions.

The Trust has a role to play across the priorities and outcomes contained within the Plan, but in particular our work to:

- Provide access to culture and sport for all young people, irrespective of their life circumstances;
- Increase physical activity levels by motivating the inactive to be more active, and inspiring the active to stay active throughout life;
- Support mental wellbeing and resilience in communities through participation in culture, sport, lifelong learning and volunteering.

We are doing this through *Inspiring Active Lives* a 10 year strategy for culture and sport in the Falkirk area with a vision which is:

"A place with vibrant culture and sporting opportunities where people can achieve fulfilled and active lifestyles"

The Trust is charged with delivery of this Strategy which was adopted by Falkirk Council in 2014. Delivery of the vision is through partnership input from a range of community interests and key to success is active leadership from the Trust. We have been developing delivery plans for all the sectors of culture and sport in collaboration with the relevant local and national interest groups and each of these is underpinned by the four themes of: **Participation, Motivation, Venues and Partnership.**

When *Inspiring Active Lives* was launched in 2014 it was against a backdrop of public funding decline. There was an expectation that, in order to continue to increase and broaden participation and help secure recognition for the Falkirk area as a vibrant place, partnership would be vital. We have made a sound start in collaborating with others; with the health service and organisations in the heritage, arts and sport sectors but also with community groups, customers and individual volunteers.

The impact of the economic climate has been significant and is continuing, so we expect to face financial pressures for some time to come. We see increased partnership working as crucial for the development of culture and sport and going forwards a far greater role for the Trust in supporting and empowering others to "do it for themselves".

Our Business Strategy for 2014-2019 has 3 strategic objectives:

- Meeting customer needs;
- Organisational development;
- Financial sustainability.

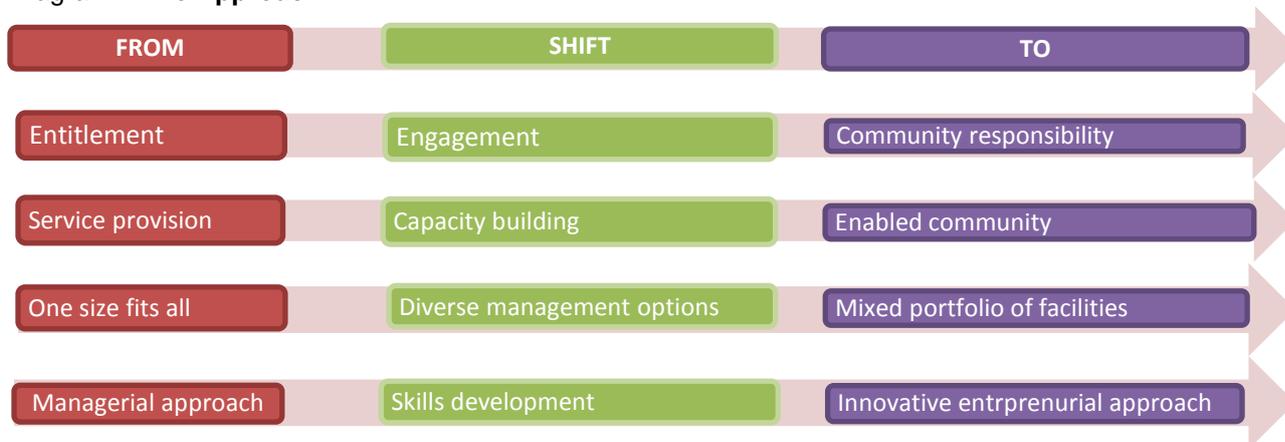
These are fundamental and, along with our identified priorities, will continue to direct business improvement activity for the foreseeable future. However how we organise and go about business delivery is inevitably set to change.

We have been advised that the Council is looking at savings of circa £20m per annum over the next three years. We have assumed that we will be asked to make a significant contribution to this deficit and have developed an approach to our Business Plan on the basis of the potential for our service payment to be reduced by as much as 50% by 2020 compared with today's support. The Trust has an annual turnover of £19.3m (2015/16) and such scale of reduction is going to require action that goes beyond that envisaged in current plans. We have developed an approach that provides a route map for necessary change.

STRATEGY and APPROACH

The basic approach needs to be rethought if we are not to see an accelerating decline in facilities and services. The future will require a number of shifts; from entitlement to community responsibility; from service provision to community enablement and education; from one size fits all to a portfolio of diverse facilities, management models, service delivery options and sources of income; from a managerial approach to an innovative entrepreneurial approach, as illustrated in the diagram below.

Diagram1: **The Approach**



The Trust Board reached the conclusions above following a series of meetings to generate a deeper understanding of the challenges faced, the impacts of change and to form a view of where we are going. The view they formed is outlined below.

- FCT has a reduced portfolio of core assets with clear purpose;
- FCT is leading, guiding and supporting others;
- Enabled communities are called to action;
- Volunteers are engaged and motivated;

- Multiple interests can invest in other culture and sport assets;
- What the community values most will drive all programmes and services;
- There are diverse sources of income;
- Technology is used to inform decision making and priorities and better promote services.

The shifts we describe to get there are not for the Trust to take alone, although as leaders for culture and sport we know we will be critical to success. But organisations that form the bedrock of the local culture and sport community and stakeholders, particularly Falkirk Council, are also essential players.

The wider community make up is shifting too. Demographics are changing with the working age population decreasing, the older population increasing and the pre-work population slowly rising. The total population is expected to increase by 10.4% between now and 2037. This is higher than the national average of 8.8% and the Falkirk area is unusual in having an increasing number of school age people.

The impact on the Trust is that our customer base is changing. In addition there is a shift in focus to improve mental health and wellbeing in addition to other health issues. Being driven through the areas Strategic Community Planning Partnership, the Trust has a role in supporting the Partnership deliver a preventative (ill) health agenda across many fronts.

It is five years since the Trust was formed and it has been five years of change in shifting from a Council department to an independent and flourishing charitable body, with decreasing funding reliance on the Council, down from 72% to 66%. We've increased customer income by 64% from £3.6m in 10/11 when services were in the Council to £5.9m in 15/16. In four full years attendances have grown by 66% or 1.5million and volunteers have increased from c500 to over 1,500.

The change journey is continuous but must step up a gear if we are quickly to reach a position whereby we can balance delivery of good core services and generating income, with facilitating and co-ordinating others. Much of our focus will need to move from managing to leading and facilitating.

Culture and sport facilities are inevitably the most visible elements of service delivery and so we have set out an approach that responds to their potential. Principle areas of focus going forward are set out in table 1 below.

Table 1: **Areas of Focus**

Community engagement / involvement

- Facilities that could be managed in partnership with community groups with a view to considering transferring them in part or whole over time.

Community infrastructure / need

- Facilities that are a core part of the community infrastructure that don't yet have an identifiable community support mechanism but make a significant contribution to meeting need.

Income Generation

- Facilities that have the potential to grow income to reduce subsidy while contributing to "Inspiring Active Lives" and the area's strategic objectives.

The above areas for focus came about following an in depth review of facility performance which looked at gross expenditure, income and subsidy level along with the role each facility plays within the community. From that we concluded that across the piece there is potential for both greater community involvement and for securing untapped income growth. The alternative to this approach was to look at continuing to reduce the asset base through withdrawal. However the level of subsidy of many facilities is low and if we withdrew from such a building the resultant saving would be more than offset by the ensuing rates bill. Without an alternative operator the rates burden would fall to the Council. The subsidy levels are explained further under financial analysis.

The approach we have 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 its leadership and community development capacity. We firmly 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 access to culture and sport services for the people of the Falkirk area.

Innovative new approaches will be required and learning from others is always a good place to start. We believe there is plenty potential for us to innovate – two examples of what other Trusts or similar organisations are doing successfully elsewhere but would be new for us, are summarised below.

ARC, Stockton Arts Centre, introduced its **Pay What You Decide** policy in January 2015 which was available for a selection of drama, dance and spoken word performances. PWYD is simple: customers attending designated performances have been able to decide for themselves how much they want to pay for a ticket, based on their enjoyment of the performance and overall experience. The first full year’s results, for 2015, showed that audiences were up by 34.5%, income was up by 52%, average ticket yield was up by 32%, audiences new to the venue were up by 31.25%, and audiences new to theatre at ARC (i.e. had attended other artforms or activities) were up by 13%, compared to 2014. A survey of audiences attending PWYD performance showed that 60% of people said that they came more often as a result of PWYD, and 30% said PWYD enabled them to bring other people. The policy at ARC is continuing in 2016. As well as US theatres, a number of UK venues have also decided to trial the pricing method including Harlow Playhouse, Alnwick Playhouse and The Customs House.

Planned strategic investment approach. As part of a long term asset plan a Trust in Scotland that operated a small Victorian pool facility within a heavily populated area at an annual surplus of £25k per annum, improved its financial performance and achieved annual surpluses of £200k, in a period of only 8 years, by following a planned investment programme in its activity areas through the upgrading of its fitness studio, followed by an extension to its gym, three years later and a subsequent refurbishment of the facility a whole 5 years later. The same Trust reduced its annual deficit of a much larger city centre facility from £900k to £300k over a period of 7 years, again through a planned approach to facility improvements such as the refurbishment of its gym, upgrading of its equipment a few years later, and the subsequent introduction of a soft play area. This focus on providing a great customer experience was rewarded with significant improvements in both visitor numbers attracted and income generated.

REVIEW OF PERFORMANCE

Council funding for the Trust decreased from £12.6m to £11.9m in 2016/17 following on from a £620,000 decrease in 2015/16. We have responded well to budget reductions to date and during 2015/16 began a process of moving to a much leaner operating model that was implemented from April 2016. At the same time customer income at £5.8m increased by 3% on the previous year and combined with grants and fundraising along with prudent management of expenditure and good performance from Trading, brought the Trust reserves to a healthy position at the end of 15/16. This is to be welcomed as it will help to manage further anticipated savings and provides an opportunity to deploy funds on activities aimed at generating additional income.

Wherever we can generate income it helps to protect non income generating services, supports concessionary access for those most in need, develops programme for vulnerable groups and contributes to bringing down the level of subsidy across services.

In 2015 income generating projects included the revitalised wave machine at the Mariner Centre, opening Stenhousemuir Gym, new track at Grangemouth Sports Stadium and commencing operating the Helix Visitor Centre café and shop. In 2016/17 projects include the development of soft play at the Mariner Centre, new flumes, spinning studio and ladies changing room refurbishment at Grangemouth Sports Complex, further improvements at Grangemouth Stadium and re-launching a refurbished tea room at Callendar House.

Looking at 2016/17 income generation we have prioritised how we deploy our marketing resources with the following income generating areas as top priority:

- Kelpie Tours
- Retail
- Other Trading / Tea room
- Mariner Centre
- Grangemouth Sports Complex Flumes
- Health & Fitness
- Swimming / Sports Development programmes
- Hippodrome / FTH programme.

We recently conducted a customer survey and 89% of our customers are satisfied or very satisfied with what we offer and 99% of our customers said they would recommend us to others. We are motivated and encouraged by our recent progress and while we still have some way to go to reach the upper half of the ranking for Scottish Statutory returns for cost per admission in sport and leisure, we are confident in our ability to improve with appropriate investment.

Critical to achieving greater market penetration is knowledge and the ability to gather and analyse data on usage. For example by creating unique contact points with each customer, not just those on existing membership schemes, we can offer incentives to engage this loyal audience to introduce new customers. Generating customer information provides a stronger evidence base for decision making and a platform for integrated sales activity. Therefore another important project that we are exploring in 2016/17 is development and investment in a new website and integration across all our customer systems. Marketing and ICT are identified priorities in our Business Strategy.

Uplift in community engagement and involvement is central to the approach outlined above. There will need to be a shift from control and management of facilities and services to facilitating community capacity. At the same time there will need to be a greater focus on income generating business development. We've had some notable success so far.

Supporting community capacity

Capacity building has been a key part of the "Learn, Explore, Enjoy" project at Muiravonside Country Park aimed at developing the Park into a thriving community resource. A good example is the community food growing initiative on site which incorporates plots for individual growing as well as an orchard. The local community around the site were looking for opportunities to grow their own food, increasing the affordability of healthy food and cutting the carbon footprint associated with its production. They were keen to develop a space on site where this could happen so we worked with them to come up with a sustainable design. We were able to bring professional expertise such as project planning and fundraising for the capital works as well as facilitating training for the participants to get things started. The community formed an association and now fully manage the initiative.

Volunteer development

Since 2012 we have grown the number of volunteers engaged from some 500 to over 1,500. Volunteering is well established in our Active Schools team who worked with 850 volunteers during the course of last year, developing Youth Leaders who, through increased confidence and leadership skills, help deliver events and undertake coaching schools and clubs. Volunteering is integral to the Helix and programmes such as the green gym along with a growing cohort of event volunteers enhance service delivery. Conservation action at Muiravonside Country Park is largely undertaken with volunteers as are numerous walking groups that we run through the Step Forth initiative.

Generating income

Customer income has grown from £4.54m (12/13) to £5.88m (15/16). With Falkirk Council support, investment in venues has developed new and increased income. The new gym at Stenhousemuir opened in September 2015 and in the first partial year of operating contributed to our fitness income exceeding target. Investment in revitalising the waves at the Mariner Centre along with improved catering helped secure increased income and further planned investment is expected to continue to reduce the level of subsidy at this venue. Similarly at Grangemouth Stadium the investment in the track resulted in income levels ahead of target and increased on the previous year, again further investment in the indoor facilities is expected to continue this trend.

The examples above show good progress in building capacity and growing income and demonstrate that we have a foundation from which to develop further.

FACILITY ANALYSIS

To apply the strategy and approach we have assessed all main facilities in regard to their performance and potential and analysed this to develop an appropriate approach to each individual asset. An extract of the defined criteria we utilised is illustrated in table 2 below.

Table 2: Facility analysis criteria

Score	Community Need	Community Engagement	Place Making	Potential for income Growth	Usage	Energy Improvement
10	In area of multiple deprivation Recognised health and social impact	Group in place, combined desire, some capability	National Cultural icon Tourism Impact Uniqueness	>+£500k	+50% increase	Large user of energy, scope for improvement Large area for renewables Potential for energy export
8				>+£100k		
5	Services Falkirk wide community	Group not identified but potential for volunteering	Anchor project Specialist building Last Building standing	>+£50k	+25% increase	
1	Affluent community	Not desired (managed in the context of whole portfolio) or No groups	Limited community value Relocatable service	<£10k	No additional potential	No potential As energy efficient as can be

We included energy improvement as a criterion having identified the opportunity to utilise the asset base to generate renewable energy. The realisation of this will require a feasibility study however early discussion with the renewables sector points to good potential to offset costs and yield income.

From the above exercise we were able to use a numerical score to chart what each facility's strengths and weakness are. We then were able to assign facilities to one of the "Areas for Focus" headings to guide the approach for development. The results are set out in table 3 below.

Table 3: Facility development approaches

Community Engagement	Community Infrastructure / Need	Income Generation
Larbert HS Kinneil Museum Meadowbank Library Larbert Library Bo'ness Library Denny Football Centre Woodlands Games Hall Polmonthill Snowsports Centre Stenhousemuir Sports Centre Polmont Sports Centre Denny Sport Centre Grangemouth Golf Course	Bankier Sports Centre Hallglen Sports Centre Slamannan Library Bonnybridge Library Denny Library Grangemouth Library Falkirk Library Callendar Park Kinneil Estate Bo'ness Town Hall Grangemouth Town Hall	Grangemouth Sports Complex Mariner Leisure Centre Grangemouth Stadium Helix incl Visitor Centre Hippodrome Callendar House Falkirk Town Hall Muiravonside Country Park Bo'ness Recreation Centre Braes HS Denny HS Falkirk HS Grangemouth HS St Mungo's HS Stenhousemuir Gym

We acknowledge that the Council has been conducting a strategic review across all its property assets which we have contributed to. We note that at the time of writing, this review has not been concluded and that our proposed facility development approaches will require to be considered within the context of the Council review. It is possible that the review may recommend the Trust withdraw from some facilities to enable asset disposal.

COMMUNITY INVOLVEMENT

Developing and growing the capacity of communities is longitudinal in nature and can take time. Beginning with our supportive customer base it will involve finding mechanisms to better plan together, moving on to grow and identify volunteer capacity to take on some responsibilities right through to organisational and governance capacity to take on potential asset transfer.

Under the heading of “community engagement” we have identified facilities where we believe there is either latent capacity within the community or readily identifiable and organised user groups with whom we can collaborate. There are many different levels of community engagement:

- commitment growing from actively informed customers with good two way communication;
- volunteering in a supported way that enhances or takes on aspects of service delivery;
- partial or full transition of responsibility and management “ownership”.

It is likely that all of the above will need to be worked through and will require different approaches so although we expect some savings to be generated through reduction in staffing costs shifting to volunteers or community asset transfer, we know we will need to retain sufficient staff within the Trust to co-ordinate and facilitate community involvement at whatever level is appropriate.

Similarly retention of some property costs over a period of time is envisaged to protect assets whilst this organic process of developing community capacity progresses. However the approach is predicated on good potential for transfer of assets to generate savings in future years but will depend on capacity development. This is also the case for the facilities listed under “community infrastructure /need” where we have not been able, at this time, to identify immediate potential for community engagement. We see this as being a future phase of community engagement work that will draw on experience and lessons learned.

FINANCIAL STRATEGY

Services delivered by the Trust are subsidised through public funding. We have been able to reduce the level of subsidy year on year through growth in customer income and efficiencies. The scope and potential to reduce our dependency on public funds is becoming increasingly difficult.

Broadly speaking far greater potential exists within Sport compared to Culture where services such as Libraries and Heritage have limited income generating potential. To date the subsidy reduction in Sport has been through income driven projects eg new Gym at Stenhousemuir and in Culture through efficiencies e.g. restructuring in Libraries. To illustrate this point, at opposite ends of a subsidy league table based on 16/17 budgets are Stenhousemuir Gym with a £21.4k surplus and Falkirk Library with a £377.3k subsidy.

Culture and Sport services make equally valuable contributions to the areas strategic priorities and outcomes. Ensuring access to culture and sport for those who are less able to pay is fundamental to improving people’s lives. If we are to continue to make a strategic contribution and maintain access, the need for subsidy is not going to go away. But we have to ensure that sufficient income is generated wherever it can be, in order to reduce the overall subsidy level and to better utilise both public funding and other income to help protect those areas of service where it is most needed.

This is a 3 year strategy and recognising that the full potential for income growth will take time to develop and that time is required for community engagement to begin to realise significant savings we have identified shorter term savings for 2017/18. Our proposals for year 1 are summarised below:

- Income generation - £428,000
- Community engagement / transfer – £47,000
- Efficiencies - £117,000
- Service reductions - £378,000

With a £100,000 contribution from our reserves this yields a total of £1,070,000. This is £0.8m short of the level of savings requested by the Council. However we seek support and agreement to take this 3 year approach that we have planned with a greater level of savings being achieved in years 2 and 3. We estimate that this approach will reduce our public subsidy by circa £5m over the 3 years. Our financial strategy going forward must also recognise that additionally severance payments may be necessary as will investment to keep stimulating income growth. Maintaining a good level of reserves is therefore part of our strategy.

RISK ASSESSMENT

The highest level business risk for the Trust is around reduction in funding from the Council impacting on the quality and range of services we can deliver. Whilst the approach we set out in this paper has been developed in mitigation of that risk, the approach itself brings some inherent risk that we must monitor and manage.

Risk Statement	Control Measures	Risk Rating
There is a lack of interest and /or capacity in communities and insufficient number of people engaged to be able to generate anticipated outcomes.	<ul style="list-style-type: none"> • Relationship building with local culture and sport organisations; • Communication channels and briefing of stakeholders and wider community; • Co-ordinated planning with the Council to minimise over expectation and ‘ask’ of a community or community of interest. 	
The Trust is unable to develop and grow the capacity and skills in its workforce to facilitate community development and build capacity of community.	<ul style="list-style-type: none"> • Employee development plan to grow skills; • Retention of adequate levels of staffing budget; • Effective partnership with other 3rd sector organisations e.g. social enterprise agencies, CVS and skills development organisations. 	
The Trust is unable to develop viable income generating projects and fails to attract investment.	<ul style="list-style-type: none"> • Employee development plan to grow entrepreneurial skills; • Effective partnership with the Council to make capital investment; • Fundraising strategy; • Borrowing strategy and reinvestment plans. 	

<p>The wider economic climate constrains customers' ability to spend and the Trust fails to grow income from its customer base.</p>	<ul style="list-style-type: none"> • Marketing plan and programme of activities to attract new customer base; • Investment in technology infrastructure to aid marketing; • Pricing strategy that offers value for money. 	
<p>The Council faces increased pressure for savings and requires greater financial contribution from the Trust than currently envisaged resulting in withdrawal from community engagement approaches.</p>	<ul style="list-style-type: none"> • Joint work with the Council on the strategic asset review; • Regular communications and briefings with Council officer liaison group. 	

NEXT STEPS

The challenge is to implement action that will secure circa £5m of savings over 3 years. To give us the best possible chance of success we must develop an implementation plan in the next few months ready to roll it out in 2017/18. This plan will set out more detail on how we will achieve the strategic and organisational shift in direction and a change dimension will be the key purpose of the implementation plan.

The plan will set out a programme of work with key milestones and gateways and will be regularly reviewed and reported to the Trust Board.

Meantime in 2017/18 in addition to delivering the implementation plan to lay the foundations for new income projects and community engagement we will continue to deliver priority business actions including:

- IT project development to integrate our customer systems within a new transactional website that will help income generation and marketing activity;
- Implementation of a new soft play development at the Mariner Centre that will continue the revitalisation of the venue as a destination for families and generate income;
- Grangemouth Stadium programme development and secondary spend generation on the back of phase 2 refurbishment;
- Continuing Trading turnaround – Mariner Centre Café, Callendar House tea room and Helix Visitor Centre;
- Growing usage and programme at CATS Schools;
- Continuing to develop programme and motivational initiatives that promote health & wellbeing targeting resource to support the next generation of older aged people to live healthier and more active lives and encouraging more women to be active;
- Delivering our Employee Development Plan to grow a skill set and an ability to adapt to our new approach, to develop programme, customer service and support communities;
- Succession Planning – several of the Board founding Directors reach the end of their term of office;
- Horizon scanning and forward planning – being mindful of the need for continual improvement in the medium to longer term we will begin options appraisal of potential new areas of business.

CONCLUSION

The context within which this plan has been prepared is one of stringent financial pressures across all aspects of community life. The levels of funding reduction being contemplated will radically reduce the scope and range of culture and sport services that we are able to deliver and will have a consequent impact on jobs across our workforce.

The clearly articulated aims and objectives of the SOLD Plan may be severely compromised and our contribution greatly diminished unless this new approach is implemented.

The approach requires a transformational shift from managing to facilitating, helping and supporting others. To achieve that shift, the importance of stakeholder engagement at all levels cannot be underestimated. Equally the availability of the voluntary effort cannot be overestimated and working in a new landscape for Culture and Sport will necessitate new levels of collaboration and a shift in attitudes and organisational and community culture.

Finding new ways and new people to manage assets is only part of the answer. Equally challenging will be finding new ways to invest in core facilities, if we are to maintain a vibrant healthy and active community where pride in the area leads to greater participation.

Whilst challenging we believe this strategy offers the best possible vehicle for the many passionate interests in culture and sport to pull together and protect opportunities for their communities.

We believe that we have set out an approach that can embrace the opportunity being created by the current environment enabling the SOLD Plan to be successfully achieved and new ground to be broken in community engagement and involvement.