

Written submission from Community Leisure UK, 14 October 2026

Pre-budget scrutiny 2027-28

Europe, External Affairs and Culture Committee

About Community Leisure UK

Community Leisure UK is a membership association for charities and social enterprises delivering public leisure and culture across Scotland, England and Wales. In Scotland, we have 25 members, with 15 delivering public cultural services in partnership with the local authority. These services include public museums, galleries, libraries, theatres and cinemas, community halls and spaces, and archives. Our members are ALEOs working closely with local authorities, though we also refer to our members as charitable trusts.

We welcome the opportunity to share our views on the prioritisation of the planned budget increases for the culture portfolio.

Programme for Government

Culture appears more in this Programme for Government than in previous iterations. There is confirmation of the commitment to uplift the culture budget by £100 million by 2028/29, with a further £50 million by the end of the parliamentary term.

This is a very welcome and positive announcement and we welcome the recognition that culture can play.

We also welcome the recognition of the third sector in delivering culture and the work undertaken by Matt Baker and his team to explore Local Culture and a model for investment.

However, the increase in Scottish Government funding does not compensate for the decrease in local authority investment. The Review of Culture, Sport and Leisure Services Report¹ by EKOS in 2024 stated that between 2018/19 and 2022/23, expenditure on culture and sport and leisure services across Scottish local authorities has decreased and that over the last decade or more, budgets for culture and sport and leisure services have consistently reduced.

The report stated that, when assessing the impact of funding reductions, councils expected reductions in libraries, arts development, community facilities and instrumental music services, while ALEOs identified events and festivals, arts development, heritage, cultural venues and libraries as the areas most likely to reduce in scale.

¹ [Review-of-Culture-and-Sport-and-Leisure-Services-in-Scotland-Final-Report-2024.pdf](#)

This is a continuing trend. We surveyed members earlier this year² and found that:

- No Scottish trust has received a management fee increase in line with inflation.
- 32% have received an increase not in line with inflation.
- 42% received a real terms reduction with their management fee either staying the same (16%) or reduced (26%).

Consequently, 78% anticipate a balanced (real-terms reduction) or deficit outturn position for 2025-26.

Furthermore, the lottery funding available through Creative Scotland has not kept pace with inflation and the current consultation on future distribution of National Lottery Good Cause funding adds to uncertainty around future funding.

We need to ensure sustainable funding for public culture to ensure it continues to operate and meet the needs of communities across Scotland. Our members would welcome multi-year funding to enable longer-term planning and stability, however, they also recognise and welcome the need to innovate and change and that time and resource are required to enable change to happen well.

Public Service Reform

The recent proposal for local authorities across Scotland poses a significant risk to the strategic oversight and delivery of culture. There is a risk of disconnecting culture from wider portfolios where it can have a positive contribution and fragmenting delivery across small, community authorities, further removed from the Culture Strategy.

There is an obvious resource involved in the process of reimagining local authority provision from a culture viewpoint – at the moment culture sits at a local authority level, directed by national priorities and strategies, much of which is delivered through a partnership with a charitable trust. None of this is at either community or regional level as the proposal outlines. The direction, and connection of culture services at a regional authority level would provide strategic benefit linked to National priorities, while also enabling community authority level engagement.

While 89% of our members have a positive relationship with their local authority, they also identify four persistent challenges which need a strategic consideration for the sector to overcome. These include:

1. Rising operating costs

Staffing costs are increasing due to the combination of an above inflation increase for the Real Living Wage, an above inflation increase in National Living Wage, increased recruitment and retention costs and an increase in employers' National Insurance Contributions. While the Scottish Government allocated additional funding to support local authorities to manage increased NICs, this has not always

² Community Leisure UK Member Insight Report, June 2026

been received by our members. On top of this, the cost of goods and services to do business, such as utilities and supplier services, have increased.

2. Investment in facilities

There is an ageing public estate which complicates and increases the cost of repairs and maintenance. Estate investment is complicated by increasing pressures on local and national government's budgets, a lack of available capital funding, and the considerations of new technologies. Facilities need to match customers' expectations of an inclusive and accessible experience, which requires capital investment to upgrade.

3. Income generation

Due to the increasing operational cost, there is a need for more diversification to generate additional income. However, there is a price point sensitivity: our members are all charities and are purpose led to deliver opportunities for communities to engage in culture at a local level that is accessible. In addition, with funding reducing and cost increasing, the ability for charitable trusts to reinvest in their services is limited, which, in turn, reduces their ability to scale services to meet customer expectations and demands.

4. Local Authorities/Scottish Government

While there is continued ringfenced funding for statutory services, this leaves culture and leisure services at a higher risk of cuts due to local government budget pressures, as seen in the (real terms) reduction of management fees. While members have a positive relationship with local authorities, the public benefit of the trust model is not always understood or valued by local authorities nor Scottish Government as a key partner in delivering public services. Consequently, when there is a commercial tendering process, this risks changing the landscape for public services and does not distinguish for people focused services as delivered by charitable trusts.

Public Service Reform needs to consider the inter-related complexities of the current challenges in the culture sector as well as the current benefits on how culture is delivered through a local authority partnership with charitable trusts. There are opportunities for a strategic approach to address these challenges at scale, and for services to be joined up, though this needs to be purpose-led rather than efficiency-led with consideration of local need.

Public service reform should consider how local authorities can be supported to invest strategically in the sector and build on the strong partnerships with charitable trusts. These are organisations that are rooted in their local community, ensuring community wealth is generated and retained locally, supporting local labour markets and maximising community benefits through the delivery of inclusive and accessible services.