

# SBC say Live Borders is unsustainable

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But SBC reduced Live Borders' management fee 45% since 2016 in real terms.

Even after £6m of so called "additional funding" this is still a real terms reduction of 25%.

## 1. PCC's Live Borders report 12 June 2025

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(1)

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1. SBC's [Live Borders Strategic Review](#) shows SBC effectively halving payments in real terms to Live Borders since 2016
2. Over the same period [funding from Scottish Government to the 32 local councils in Scotland](#) remained flat
3. [COSLA data](#) show average local authority response to common funding pressures resulted in culture & leisure cuts of 23.6% (dark blue)
  - SBC cut twice as much as the avg local authority in response to the same pressures – ring-fenced funding from Scottish Gov't and tax freezes
4. The [Accounts Commission](#) appeared skeptical, warning SBC to ensure the community is onboard with planned Live Borders closures:

"The Commission will watch with interest as to whether the change fund approach delivers the required payback and recurring savings at the pace required. The Commission would urge the council to strengthen its reporting on its transformation programme milestones and expected benefits, as well as ensuring the community is engaged with its transformation agenda."

The available financial data contradicted SBC's claims that Live Borders had received substantial additional funding in recent years, so PCC [called for Live Borders funding to be restored](#). See the full [12 June 2025 PCC briefing](#) (part of PCC's Live Borders consultation submission).

## 2. PCC letter to SBC CFO 14 Oct 2025

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On 14 Oct 2025, PCC wrote to SBC's Chief Financial Officer, Mrs Suzanne Douglas, asking whether there were any financial data supporting SBC's assertion that Live Borders was unsustainable – because that claim was being used to justify cuts to Live Borders' services and estate.

We referenced our June 2025 report findings that SBC data appear to show that statements that Live Borders had received substantial additional funding were not true in real terms – in fact SBC had cut Live Borders funding twice as deeply as other authorities had cut culture and leisure funding in response to the same financial pressures.

See [PCC's 14 Oct 2025 email](#).

## 3. Latest Live Borders finances presented to SBC meeting 29 Oct 2025

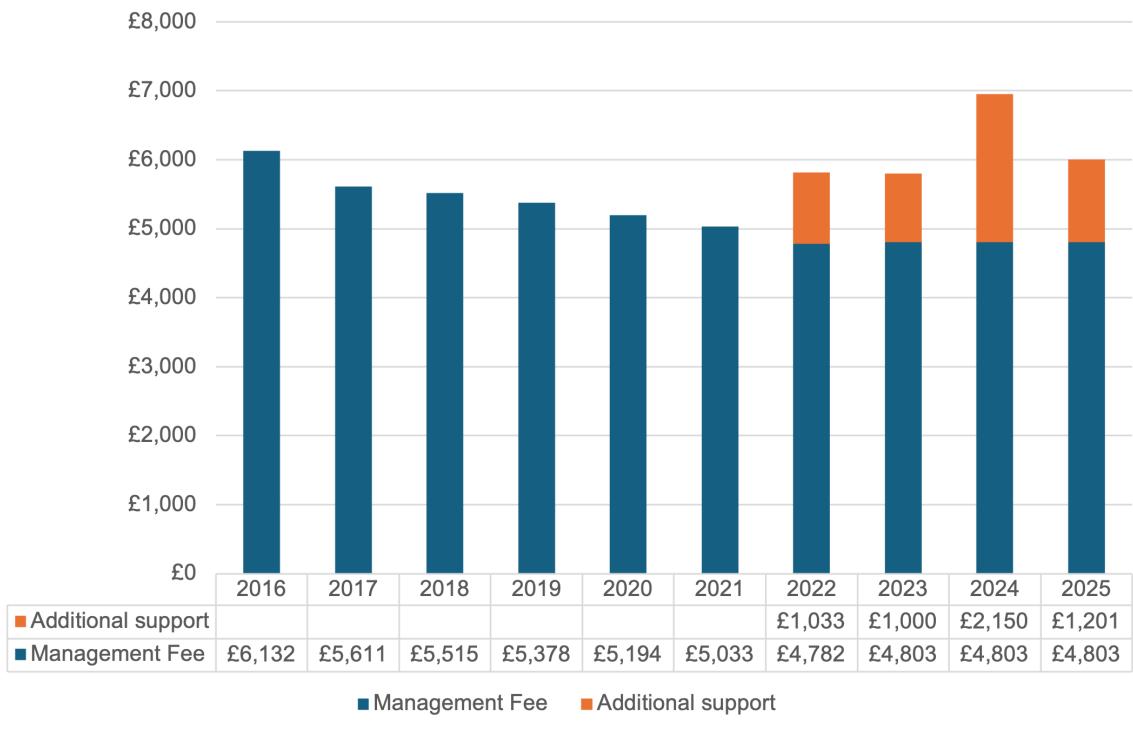
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SBC's [29 Oct 2025 council meeting](#) considered this [Live Borders Joint report](#) by Director of Resilient Communities and Chief Executive Officer of Live Borders containing the most up-to-date financial figures for Live Borders:

"7.11 Since 2019 Scottish Borders Council has provided Live Borders with budgeted Management Fees, capital investment and additional, one-off payments. Members will be aware that as well as the budgeted management fee, additional payments of £6m have been approved by Council since 2022/23 to address the increased costs detailed above and maintain Live Borders position as a going concern."

However, the financial figures do not match the commentary. For example, £1m of the £6.384 "additional payments" is a loan – which we have excluded from comparisons of SBC's management fee. (The figures shown here are the Sport and Culture Management Fees listed in section 7.11 of SBC's 29 Oct report – i.e. ignoring the adjustments for Real Living Wage and Services returned to SBC.)

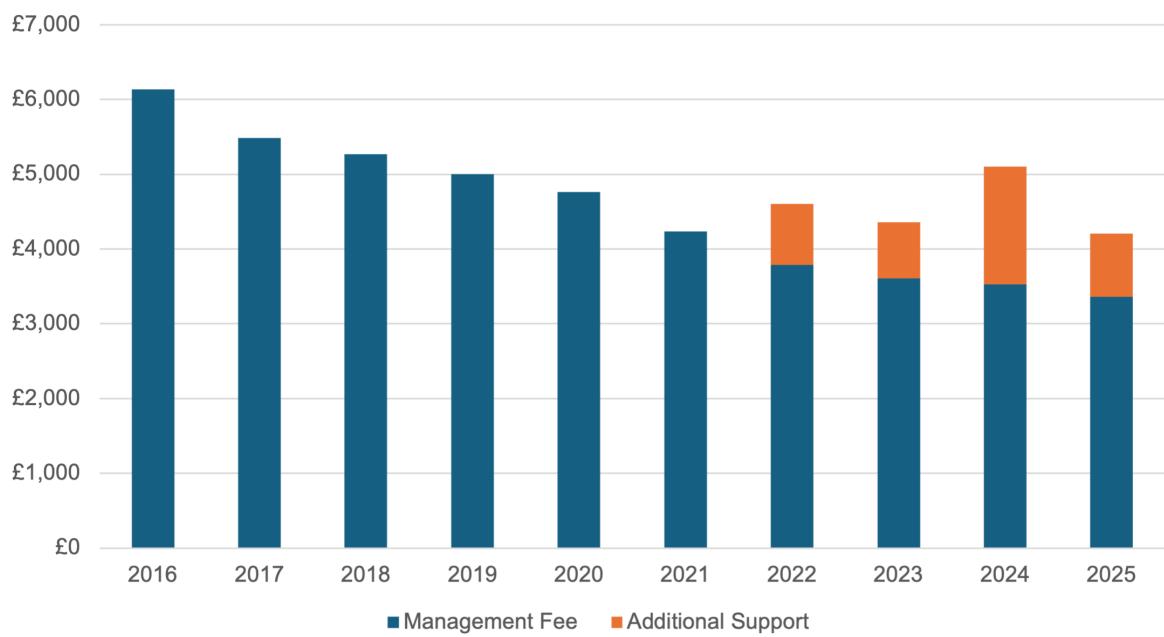
**Nominal 2016–2025**  
**Misleading – ignores inflation**



Firstly, even when ignoring the impact of inflation, except for a single year in 2024, every year since 2016 shows a **decrease** in the management fee SBC paid to Live Borders – **even when including the “additional payments”**.

Secondly and more importantly, the real picture is very different. The effects of inflation must be taken into account when comparing financial figures across financial years. Adjusting Live Borders Management fee for inflation (i.e. adjusting to the equivalent in 2016 £) we see a very different picture:

**Real 2016–2025**  
**Adjusting for inflation (in 2016 £)**



year	2017	2018	2019	2020	2021	2022	2023	2024	2025
reduction since 2016 (blue)	10.6%	14.1%	18.4%	22.3%	31.0%	38.2%	41.2%	42.5%	45.2%
reduction since 2016 (blue + orange)						24.9%	29.0%	16.8%	31.5%

We see a steady and substantial decrease in the management fee offered to Live Borders (blue), reducing by 45% (almost halving) compared with 2016. Even when including the "additional payments", the average reduction in those years compared with 2016 is 25%.

The claim that Live Borders has received "substantial additional funding" is not true in real terms (adjusted for inflation) – and is only true in nominal terms (ignoring inflation) in 1 out of the past 8 years.

## 4. SBC Full Council meeting decides Live Borders fate 20 Nov 2025

SBC's [20 Nov 2025 special meeting](#) to decide Live Borders' future considered the [Joint report by Director of Resilient Communities and Chief Executive Officer of Live Borders](#).

References to Live Borders being financially unsustainable and having received substantial additional funding in recent years are made throughout Jenni Craig and Catriona McAllister's joint report:

"1.1 This report follows the progress report to Council in October 2025 and proposes a Business Transformation programme which permanently reduces spend and increases income within Live Borders by £2.2m in order to balance the budget.

...

1.5 It must be emphasised that where facilities are to be retained this cannot be simply a continuation of the status quo. The property estate that is retained, and how it is operated and managed, needs to change radically and adapt to increase usage, generate more income and become more efficient, all of which are essential to support financial sustainability of Live Borders as a whole.

...

5.1 Following extensive work and engagement with communities, as outlined in section 6 below, a range of proposals have been identified that, if agreed, bridge the current financial gap of £2.2m, permanently, to balance the budget through a combination of reduced expenditure and increased income.

...

5.25 The Council's Financial Plan (approved in February 2025) assumes Live Borders will operate within the agreed, budgeted, management fee from 1 April 2026 i.e. with no further one-off funding required.

...

### 8.1 Financial

Live Borders is currently operating with an annual permanent deficit of £2.2m. £6m of one-off additional funding (including a loan of £1m) has been provided by the Council since 2022/23 alongside the annual management fee in order to ensure Live Borders can continue to trade and deliver services to the residents of the Borders."

Cllr Begg asked how Scottish Borders Council compares to the average council in terms of real terms reductions to sport & culture funding across Scotland. Neither Jenni Craig nor Suzanne Douglas provided any data in their answers, with Suzanne Douglas saying:

"I think the numbers will show that we've not in any way provided a disproportionate reduction over the years to the Live Borders funding, but actually, certainly over the shorter term provided significant additional funding. But very happy to share that information once we've got it available."

[See full transcript Appendix 1.]

In fact, SBC's latest financial figures (see section 3) show that even including "significant additional funding", the Live Borders management fee has substantially reduced since 2016, with the baseline management fee currently 55% of the 2016 figure in real terms.

The report was approved – with an [amendment to consider CATs](#) (Community Asset Transfers) proposed by Cllr Tatler and seconded by Cllr Pirone.

## 5. SBC CFO reply 4 Dec 2025

On 4 Dec 2025, PCC received a [reply from SBC's CFO](#) which:

1. Confirmed that the 29 Oct 2025 report contains the latest financial data for Live Borders (see section 3 above), i.e.
  - SBC reduced Live Borders management fee by 45% – much the same as PCC's preliminary finding of 50%
  - Even including the "significant additional funding" there is still an average **reduction** in recent years of 25%
  - The baseline management fee for Live Borders has reduced by 45% (almost halving).
2. Contains a qualitative (i.e. without quantitative data) discussion of financial pressure on Live Borders
  - Highlighting that "significant inflation" and "directed funding" from Scottish Government had put pressure on all local authorities' budgets.
  - No data were provided for substantiation, but this is broadly compatible with the COSLA data PCC cited in our [June 2025 report](#).

The response goes on to say:

"As a result of their [Live Borders'] financial difficulties over the last 3 years the Council has provided £6m in additional funding to the organisation with total funding of £7.553m provided in 2024/25 which is £1.6m more than they received in 2016/17."

However, comparison with the actual financial data (set out in section 3) shows this statement is highly misleading:

1. The figures quoted are the **only** year (of **8** years) since 2016 where the nominal management fee was greater than in 2016.
2. Taking inflation into account (so figures can be compared across a decade) the management fee has, in fact, substantially reduced.

The CFO's conclusion:

"I hope this is helpful in demonstrating that Live Borders have not been subject to disproportionate funding reductions but in fact have received significant additional funding from the Council in recent years to ensure services can continue to be delivered."

is contradicted by the facts.

## 6. Recommendation

This report already incorporates the CFO's comments. Suggest we issue this report as a press release and circulate to all SBC councillors (per the CFO's comments during the 20 Nov 2025 meeting that she would be happy to share information with all members).

### Glossary

Financial figures can be quoted as either *nominal* or *real*:

- **Nominal** = Actual figures, not adjusted for inflation. Be aware that £1 buys different amounts in different years.
- **Real** = Adjusted for inflation to a specified base year. Allows direct comparison of figures across years.

The [latest version of this report is available on the PCC website](#)

More info: [secretary@ccrbpeeble.co.uk](mailto:secretary@ccrbpeeble.co.uk)

31 Jan 2026

# Appendix 1. Cllr Begg Q & A, 20 Nov 2025

This transcript is an excerpt from SBC's [recording of 20 Nov 2025 meeting](#) (which should be available until the end of May 2026).

Cllr Begg asked whether the impact to health and wellbeing was understood and how SBC's cuts to Live Borders funding compared with other local authorities.

Jenni Craig (Director for Resilient Communities) and Suzanne Douglas (CFO) gave qualitative answers, without tabling quantitative data (though the CFO did make apparent reference to PCC's email of 14 Oct 2025 asking for quantitative data).

## Cllr Begg

"Thank you convenor. Appreciate the opportunity to speak. I'll be as brief as possible and avoid repeating the comments. I just want to echo first of all the comments made by Councillor Thomson. Some helpful comments there. Thank you to all involved and in particular the communities across the Borders who have contributed to this process in a positive fashion.

I just want to thank the team for referencing the [Audit Scotland report published last month on Culture and Leisure Services](#). It does state that councils are spending less on culture and leisure services, reviewing the services they offer and increasing or introducing charges. I have a question, if that's ok. It's to ask again, how does Scottish Borders Council compare to the average council in terms of the real terms reductions that councils have made across Scotland – have made, or are proposing to make? I'll come back to that and I'd be interested in an answer to that at the end.

The report also states that we do not have a full understanding of the impact of reduced spending on health, wellbeing and prevention. A lot of our services actually provide upstream prevention in health terms and we need to be careful of the unintended consequences on our community's health and wellbeing. I'm sure that's acknowledged in the transformation going forward and we shouldn't lose sight of the important function that these services provide.

Finally, I would like to just pay particular thanks to those within the community I serve in Tweeddale West for the active and positive contributions that have been made. In particular, those involved in the Drill Hall in Peebles and the Graham Institute in West Linton. Thank you for allowing me to speak today." **[Councillor Drummond Begg, 1:29:15 – 1:31:41]**

## Reply to Cllr Begg's question on impact on health and wellbeing

"Yes I'll try and answer the question. I'll start with the easy bit first. In terms of the impact on health and wellbeing, certainly what we've tried to capture – and hopefully you see in a lot of the impact assessments attached in the appendix – is exactly that. Where we think that there would be negative impacts, we are trying to flag that and be aware of it in terms of bringing proposals forward for you to consider that in terms of your decisions. But I do think that is an important factor for us collectively to be thinking about." **[Jenni Craig, 1:31:41 – 1:32:20]**

## Replies to Cllr Begg's question on how Live Borders funding compares with other local authorities

"In terms of how we compare to other local authorities, I think it's quite a difficult question in terms of how we compare in terms of a reduction of funding. I don't know if Suzy wants to say anything. In terms of how we compare in terms of the funding that's going into these types of services and how many properties we have, we're expecting any time now a national report from Sports Scotland and that's looking right across the whole of Scotland in terms of the situation specifically with the estate and the properties and the condition of those properties, because as we said right at the beginning – and you've pointed out – this isn't a local issue, it's a national issue. And I think what we'll see from that, I suspect, is that the number of facilities that we've got will probably be high in relation to a number of the other local authorities. Now that's driven, obviously, because of our rural nature but it will be interesting to look at that report when it comes in terms of how we do compare to our family group. So, I haven't been able to answer your question specifically, but certainly happy to have further conversations about that and certainly when that report comes out. I don't know, Suzy, if you want to say anything?" **[Jenni Craig, 1:32:20 – 1:33:42]**

"Yes, Councillor Begg, so I've not got the information to hand in terms of exactly how we would compare with other councils and that might be quite a difficult piece of information to get hold of, but as Jenni said, we're expecting further national reports which might give a bit more clarity around that. We're currently working, you were involved in a request that came to the council through myself a number of weeks ago [PCC's email 14 Oct 2025, 12:58] and we've been so caught up in this review that I've not quite got to finalise that piece of work, but that is underway, which will give information – I'm happy to share it wider with all members – which will give information around how much funding the council has given Live Borders over that longer period of time, in relation to where the council's overall financial position has been in an organisation itself. So, my feel – without having those numbers to hand – is that the council has provided significant support to Live Borders and has effectively prioritised these services within it's overall budget position. I think the numbers will show that we've not in any way provided a disproportionate reduction over the years to the Live Borders funding, but actually, certainly over the shorter term provided significant additional funding. But very happy to share that information once we've got it available." **[Suzanne Douglas, 1:33:42 – 1:35:10]**

SBC's latest financial figures (see section 3) show that even including "significant additional funding", the Live Borders management fee has substantially reduced since 2016, with the baseline management fee currently 55% of the 2016 figure in real terms.