

SOUTH LANARKSHIRE
Leisure & Culture

BOARD MEETING – THURSDAY 4 SEPTEMBER 2025, 3PM
AGENDA

Location: Hamilton Town House

**Agenda
Item**

1. Sederunt
2. Apologies
3. Declarations of Interest
4. Larkhall Leisure Centre
5. Minutes of Previous Meeting (page 2 to 7)
6. Matters Arising
7. Action Log (page 8 to 10)
8. SLLC Procurement Strategy (page 11 to 32)
9. Performance Report (page 33 to 58)
10. Performance, Finance and Audit Committee Update (page 59 to 78)
 - ◆ Report from Committee of 18 August 2025
 - ◆ Health and Safety Annual Report
(Removed from published pack - sensitive information)
 - ◆ Internal Audit Annual Report (page 98 to 102)
11. Revenue Budget 2025/26
12. Shepherd & Wedderburn Legal Update
13. AOCB
14. Risk Register Implications (page 103 to 110)

Date of Next Board Meeting (Standard) – Thursday 13 November 2025

South Lanarkshire Leisure and Culture SCIO is Scottish Charitable Incorporated Organisation (Scottish charity number SC023549) responsible for the operation, management and delivery of leisure and cultural activities on behalf of South Lanarkshire Council.

Minutes of Meeting of the Board of Trustees of South Lanarkshire Leisure and Culture SCIO held at Hamilton Townhouse at 2pm on Thursday 29 May 2025.

1. Sederunt

Chair:

Dr Avril Osborne

Vice Chair:

Cllr Maureen Devlin

Board Members:

Dr Angela Beggan, Neil Brown, Craig Cunningham, Chris Goudie, Dr Gordon Jack, Lisa Maule, Cllr Mo Razzaq

In Attendance:

Kay Morrison (Chief Executive)

Nick Lansdell (Head of Strategy and Governance (Board Secretary))

David Booth (Executive Director of Community and Enterprise Resources)

David Carter (Head of Operations and Estates)

Martin Cryans (Head of Business Development)

Ross McKie (Head of Corporate Services)

Yvonne Douglas (Internal Audit Manager, South Lanarkshire Council) (agenda item 7)

2. Apologies

Alan Morrison, Stephen Smellie

3. Declarations of Interest – Annual Return

Trustees were asked to complete their annual declaration of interest return form.

Craig Cunningham declared his employment with the Health and Social Care Partnership who provide funding to South Lanarkshire Leisure and Culture (SLLC).

4. Minutes of Previous Meeting

The minutes of the Board meeting held on Wednesday 5 March 2025 were submitted for Board approval as a correct record.

The Board: approved the minutes.

5. Matters Arising

- ◆ Trustees were advised that new Trustee, Councillor Richard Nelson was unavailable for this meeting but would be in attendance at the next Board meeting in September. The Chair and Head of Strategy and Governance (Board Secretary) have Councillor Nelson's induction in hand.
- ◆ Formal congratulations were extended to the outgoing Chief Executive who joins Glasgow Life as their Chief Executive in July.

- ◆ The Chair advised that the Nominations Committee has been convened and recruitment process is underway to appoint a new Chief Executive. Trustees will be provided with updates on the process as and when appropriate.
- ◆ In the meantime, the Head of Strategy and Governance (Board Secretary) has been appointed Interim Chief Executive. Interviews were conducted independently of the Nominations Committee by the Chairs of the Performance, Finance and Audit (PFA) Committee and Policy and Strategy Committee.

6. Action Log

The action log of the Board meeting held on Wednesday 5 March 2025 was submitted for Board approval as a correct record.

- ◆ The Head of Corporate Services provided Trustees with an outline of what constitutes irrecoverable VAT.
- ◆ The use of business interruption insurance is currently with SLLC's insurance provider for consideration. This will remain on the action log until settled.
- ◆ The timing of updates regarding the South Lanarkshire Council (SLC or the Council) Estate Strategy remain dependent on Council process however there is a commitment to update the Board on this routinely, where possible.
- ◆ Trustees were advised that recruitment monitoring figures will be presented at future Performance, Finance and Audit (PFA) Committee meetings.
- ◆ Trustees were advised that the planned Equalities Training has been deferred for roll out until after the summer holiday period due to technical issues.

The Board: approved the action log.

7. Global Internal Audit Standards and 2025/26 Internal Audit Plan

The Board was presented with a report setting out the requirements and responsibilities of the new Global Internal Audit Standards, along with the Internal Audit Mandate and Charter, Audit Strategy and Internal Audit Plan for 2025/26 for approval.

Recommendation: The Board is asked to approve the following recommendations:

- (1) That the requirements and responsibilities of the new Global Internal Audit Standards and Application Note: Global Internal Audit Standards in the UK Public Sector applicable from 1 April 2025 are noted.
 - (2) That the Internal Audit Mandate and Charter is approved.
 - (3) That the Audit Strategy is endorsed.
 - (4) That the proposed Internal Audit Plan for 2025/2026 is approved.
 - (5) That approval is granted for the findings from the 2025/2026 audits to be reported to the Performance, Finance and Audit Committee and for the Committee, in turn, to retain responsibility for advising the Board of significant audit findings.
- ◆ SLC's Internal Audit Manager guided Trustees through the new Global Internal Audit Standards (GIAS) issued by the Internal Audit Standards Board and endorsed by the Chartered Institute of Internal Auditors.
 - ◆ Approval of the Audit Mandate and Charter is key as it provides Internal Audit with the authority to provide services, reinforces their independence and allows the service to make honest recommendations.
 - ◆ Trustees were advised that the standards also require the development of an Audit Strategy which is presented to the Board for endorsement with a note that this will be subject to further development in 2025/26.
 - ◆ Trustees were assured that the Internal Audit Plan for 2025/26 is balanced and complies with the new standards.
 - ◆ Updates regarding the Internal Audit Plan will continue to be reported to the PFA Committee, and the Chair of the Committee will provide updates to Trustees at Board meetings.

The Board: approved the report.

8. Performance Report

The Board was guided through the report for the fourth quarter of 2024/25.

- ◆ Trustees welcomed and commended the work undertaken to support those on the road to recovery from addiction, noting the positive impact this will have on the communities of South Lanarkshire.
- ◆ Updates on capital projects were well received, with Trustees pleased to see progress being made. Trustees were assured that SLLC officers are working closely with Council colleagues, with further updates to be shared with the Board as work progresses.
- ◆ Key emphasis was placed on ensuring the Estates Strategy, Transformation Fund, and Country Parks Master Plan all align with the SLLC Growth Plan.
- ◆ Trustees were advised that awareness sessions on the Country Parks Master Plan are being organised for Elected Members to gather feedback on proposals. An offer was extended for Council officers to attend a future Board meeting to provide further information.
- ◆ The visual presentation of reports and inclusion of “good news” stories highlighting SLLC services and initiatives were praised. Trustees were advised that this positive news will be shared with Elected Members as a “success stories” circular.
- ◆ A request was made for the full range of service areas to be visible on the “attendances across service areas” graph, and for the notes section to follow the same order. The benefit of drilling down into the reasons for attendance and tracking related trends to capitalise on this insight was also noted.
- ◆ Trustees expressed their appreciation that the Leadership Team maintains a forward-looking approach, always considering improvements and sustainability to build on the services SLLC provides.

The Board: noted the report.

9. Performance, Finance and Audit Committee Update

The Board was provided with an update from the last Performance, Finance and Audit (PFA) Committee Meeting held on 1 May 2025.

The Board: noted the update.

10. Budget Update 2024/25

The Board was presented with a report providing an update on the most recent 2024/25 budget monitoring position as at 28 February 2025 and the current projected outturn for financial year 2024/25.

Recommendation: The Board is asked to note the content of the report.

- ◆ Trustees were reminded that, in order to make VAT gains, the utilities budget had been transferred to South Lanarkshire Council. Officers were pleased to report an unanticipated underspend in costs for the year, which was welcomed. Discussions are ongoing as year end approaches to quantify the estimates. While the saving will come to SLLC, it was recognised that the budget sits with the Council and a process is therefore required for the transfer. It is envisaged that the mechanism for this process will be set out in writing for future years.
- ◆ For SLLC, emphasis will remain on reducing energy consumption and associated costs.
- ◆ The overspend in supplies and services was attributed to irrecoverable VAT and utilities. Consideration is also being given to the performing arts budget, with costs for delivering shows and related supplies continuing to rise.
- ◆ Trustees were advised that contracts for shows are generally negotiated individually; however, officers will ensure robust agreements are in place to minimise any financial impact in the event of cancellations.

- ◆ It was further noted that IT equipment costs are rising and, with the upcoming implementation of the new Front of House (FOH) system, budgets will be reviewed to ensure they are sufficient.
- ◆ Trustees noted that the loss of income caused by deterioration of assets, such as the closure of the Dollan Aqua Centre due to maintenance issues, highlighted the importance of the Council's Estates Strategy.

The Board: noted the report.

11. Revenue Budget Update 2025/26

The Board was presented with a report providing an update on the base revenue budget for 2025/26.

Recommendation: The Board is asked to note the content of the report.

- ◆ Trustees were advised that the three-year plan, developed in partnership with South Lanarkshire Council, recognised that SLLC should maintain a target level of three months operating costs in reserve to cover unexpected expenditure, for example the pay award.
- ◆ Trustees were assured that any proposed adjustments to this target would be brought to the Board for consideration.
- ◆ There was recognition that reserves may need to be used, and that the current strong financial position will help address pressures in the coming years. SLLC will continue to manage budgets with the aim that growth in income gains momentum to support SLLC on a recurring basis.
- ◆ The Council's financial position was also reiterated, with a reducing budget and projected further reductions in the years ahead.
- ◆ While noting SLLC's reliance on the management fee received from the Council, Trustees acknowledged that, unlike most Council resources, SLLC has the opportunity to maximise income to support future sustainability.
- ◆ The work of the Transformation Fund is anticipated to assist in increasing income levels, with new gym equipment, improvements to air handling units, and investment in accessibility expected to have a positive impact.
- ◆ Trustees also enquired about opportunities to utilise solar energy and capitalise on electric vehicle charging. It was noted that the installation of solar panels is being considered as part of the Council's Transformation Fund, alongside broader measures to make buildings more energy efficient.
- ◆ The City Deal initiative for a regional electric vehicle charging network is in the early stages of development and Trustees were assured that any updates impacting SLLC car parks will be reported to the Board.

The Board: noted the report.

12. SLLC Employee Survey Findings and Action Plan

The Board was presented with an overview of the SLLC Employee Survey findings and related action plan that has been developed in conjunction with Employees.

Recommendation: The Board is asked to note the content of the report.

- ◆ Trustees noted the low response rate to the recent staff survey but acknowledged the significant time that had passed since the last one. Officers were advised to proceed with caution, as the findings may not be fully representative of the organisation. Nonetheless, it was agreed that the results provide a useful starting point, and officers will work with the feedback to make improvements, while recognising it does not reflect the views of the majority of the workforce.
- ◆ The intention is to undertake a full staff consultation annually, supplemented by more frequent "pulse" surveys throughout the year on specific, timely topics to support engagement. Internal communications are under review, with the aim of improving two-way contact.

- ◆ Management teams have actively discussed the survey outcomes with their teams, who have been encouraged to identify areas for improvement. It is hoped this will begin to address some of the issues raised in the feedback.
- ◆ The Leadership Team acknowledged the importance of building trust with staff, to ensure they feel comfortable providing anonymous and constructive feedback on matters affecting them and SLLC. It was also recognised that some staff may be reluctant to engage, and that others may not have had previous opportunities to do so. Ongoing dialogue will take place with both Trade Unions and staff to identify the key questions for inclusion in future consultations.
- ◆ The Leadership Team approached the consultation openly, with a willingness to learn and improve. They emphasised the importance of co-designing the resulting action plan with the Extended Management Team.
- ◆ A Trustee suggested the use of “survey champions” to encourage participation, which could be delivered in-house or through an external provider.
- ◆ Trustees agreed that making visible improvements in response to feedback, and maintaining a consistent approach to gathering staff input, would help build trust and encourage higher engagement levels in future.
- ◆ A Trustee considered the analysis of feedback to be robust and welcomed activation of the action plan. Publication of the survey results was also welcomed as a demonstration of transparency. Caution was reiterated in relation to the scale of work required and the achievability of goals within a single year. It was recognised that this would be a long-term priority to establish trust and strengthen organisational culture and engagement.
- ◆ Trustees were advised that a survey of the casual workforce will be developed and circulated in the coming months.

The Board: noted the report.

13. Health and Safety Policy – Update

The Board was presented with a report providing the revised SLLC Health and Safety Policy.

Recommendation: The Board is asked to approve the following recommendation:

- (1) That the revised SLLC Health and Safety Policy be approved.

The Board: approved the report.

14. Transformation Fund – Verbal Update

The Board was presented with an update on the Transformation Fund.

- ◆ Trustees were assured that SLLC officers are working closely with South Lanarkshire Council colleagues to develop the various Transformation Fund project plans, ensuring alignment with the Estate Strategy, Country Parks Master Plan, and SLLC’s strategic objectives.
- ◆ The £13 million Transformation Fund, provided by South Lanarkshire Council, is being managed by the Council, with SLLC providing input for venues operated on the Council’s behalf.
- ◆ There are currently 53 projects underway, varying in scale and scope.
- ◆ A cross-service working group, led primarily by the Council, is overseeing project processes and financial expenditure.
- ◆ Two reports detailing the allocation of funds for phases one and two have been presented to the Council’s committees and shared with the Board. Future committee reports will also be shared with Trustees.
- ◆ Examples of investment include £1.4 million in gym and fitness studio renovations. SLLC has worked with the Council to procure a supplier, with works due to commence shortly.
- ◆ Recent progress includes the refurbishment of three floors at the John Wright Sports Centre, and the successful relocation of Forth Library to the Willie Waddell Sports and Community Centre. The Blantyre and Greenhills Libraries projects are also progressing well.

- ◆ Trustees were assured they would continue to receive updates and copies of relevant Council reports as issued.

The Board: noted the update.

15. AOCB

There was no other competent business.

16. Risk Register Implications

There was nothing to update in the risk register as a result of this meeting.

Date of Next Meeting

The next standard Board meeting is Thursday 4 September 2025.

Chair

DRAFT

Board Action Log
Blue – Action is complete

Red – Action not on track with major issues

Amber – Action mainly on track with some minor issues

Green – Action is on track

Board Meeting – 29 May 2025				
Agenda Item	Action	Person(s) Responsible	Timescale	B/R/A/G
Agenda Item 8 Performance report	The full range of service areas should be visible on the attendances across service areas graph. The notes section should also follow the same order.	Head of Strategy and Governance (Board Secretary)	4 September 2025	On track 4 September 2025
Agenda Item 10 Budget Update 2024/25	The mechanism for dealing with under or overspends in utility costs will be set out in writing for future years.	Chief Executive	31 March 2026	On track 31 March 2026
Agenda Item 12 SLLC Employee Survey Findings and Action Plan	A survey of the casual workforce will be developed and circulated in the coming months.	Head of Corporate Services	First half of 2026	On track

Actions carried over from Previous Standard Board Meetings

Board Meeting – 5 March 2025				
Agenda Item	Action	Person(s) Responsible	Timescale	B/R/A/G
Agenda Item 9 Revenue Budget Update 2024/25	An explanation of what constitutes irrecoverable VAT will be issued to Trustees.	Head of Corporate Services	29 May 2025	Complete 29 May 2025
Agenda Item 10 Savings Proposals 2025/26	The scope of the halls business model review will be expanded and presented to the Board after further consultation with user groups.	Head of Operations and Estates	5 March 2025	Minor issues 13 November 2025
	The Board Secretary will investigate the use of business interruption insurance to balance income lost through the closure of sites and will advise the Board accordingly.	Head of Strategy and Governance (Board Secretary)	29 May 2025 <u>Update from 29 May 2025</u> – case is with SLLC insurance provider for consideration.	Minor issues 4 September 2025
	The Board will be presented with an update on the Council's Transformation Fund progress.	Head of Operations and Estates	29 May 2025	Complete 29 May 2025
	The Board will be presented with an action plan based on the staff survey feedback.	Head of Corporate Services	29 May 2025	Complete 29 May 2025
Agenda Item 12 Workstreams Update	An update regarding the Council's 10-year estate strategy will be brought to the Board.	Head of Operations and Estates	29 May 2025	Complete 29 May 2025
Agenda Item 13 Board Health and Safety Representative Remit	The Health and Safety Policy will be brought to the Board for agreement in May.	Head of Strategy and Governance (Board Secretary)	29 May 2025	Complete 29 May 2025
	An update on the effectiveness of the Board Health and Safety representative remit will be brought to the Board after a full year cycle.	Head of Strategy and Governance (Board Secretary)	May 2026	On track May 2026
Agenda Item 15 Gender Pay Gap 2024	Consideration will be given to how recruitment monitoring figures are reported to the Board.	Head of Corporate Services	29 May 2025 <u>Update from 29 May 2025</u> – figures will now be presented at future Performance, Finance and Audit (PFA) Committee meetings.	Complete 29 May 2025

Board Meeting – 4 September 2024				
Agenda Item	Action	Person(s) Responsible	Timescale	B/R/A/G
Agenda Item 12 AOCB	Equalities Training – an updated link to training modules to be issued to Trustees once available following Fusion update.	Head of Strategy and Governance (Board Secretary)	Subject to Fusion update. <u>Update from August 2025</u> – SLC have advised training can commence after the summer period 2025.	Minor issues Early 2025

Board Meeting – 28 February 2024				
Agenda Item	Action	Person(s) Responsible	Timescale	B/R/A/G
Agenda Item 9 Governance Guide	Approved with further formal review to take place in 2027.	Head of Strategy and Governance (Board Secretary)	Scheduled for 2027	On track Scheduled for 2027



Report

Report to:	Board of Trustees
Date of Meeting:	4 September 2025
Report by:	Ross McKie, Head of Corporate Services

Subject:	SLLC Procurement Strategy 2025-27
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ Provide an update on SLLC Procurement Strategy.

2. Recommendation

2.1. The Board is asked to approve the following recommendation:

- (1) That the content of the SLLC Procurement Strategy is approved.

3. Background

3.1. Following an in-depth review, SLLC's Procurement Strategy has been updated to reflect the proposed actions during this period. A draft of the document is attached in Appendix 1 along with the action plan for this period.

4. Next Steps

4.1. Once approved, this will be updated on to SLLCs website, with the strategy itself reviewed and updated on an annual basis.

5. Employee Implications

5.1. There are no employee implications arising from this report.

6. Financial Implications

6.1. There are no financial implications arising from this report.

7. Other Implications

7.1. There are no other implications in terms of risk and sustainability.

8. Equality Impact Assessment and Consultation Arrangements

8.1. There is no requirement to carry out an impact assessment or consultation in terms of the proposals contained within this report.

Ross McKie
Head of Corporate Services

4 September 2025

Links to SLLC Objectives

- ◆ Organisational Sustainability
- ◆ Health and Wellbeing

- ◆ Connected and Engaged
- ◆ Equality and Inclusion

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers, if any, or want further information, please contact:

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E-mail: ellen.atkinson@southlanarkshireleisure.co.uk

Procurement Strategy

2025-2027 Update

Foreword

Our vision and mission

Strategy rationale/context

Strategic aims, objectives and key priorities

Priority 1: Legal compliance and governance

Priority 2: To ensure savings and added value are achieved and measured

Priority 3: To have a more efficient and effective procurement function

Priority 4: To deliver sustainable procurement ensuring sustainability is considered for every SLLC contract opportunity

Spend/Finance

Implementation, monitoring, reviewing and reporting on the strategy

Strategy ownership and contact details Procedures

How to do business with SLLC

Appendix 1: Procurement Activity in 2023/24 and 2024/25

Appendix 2: Procurement Strategy Action Plan

Appendix 3: Future Projected Procurement Activity

Foreword

Recognising that effective and efficient procurement will positively support South Lanarkshire Leisure and Culture (SLLC) in achieving its priorities, this strategy provides a corporate vision, direction and focus for all procurement activities within the company.

This is the third procurement strategy produced by SLLC and provides a interim refresh of the last strategy produced in 2019. As with all public organisations, SLLC is facing significant pressures. This Procurement Strategy provides a clear and consistent framework to ensure that procurement activity supports all services to meet the overall organisation objectives. This strategy also advocates the positive role that robust procurement activity has in allowing SLLC to continue to deliver effective and efficient services.

In 2023/24 representing the last full financial year analysed, we spent £8.504M with just under 1,100 suppliers when compared to £8.22M with just over 1,300 suppliers in 2019/20, at the beginning of the previous strategy. This demonstrates the refresh required of the procurement work already undertaken, as identified as necessary in the original strategy, and the continued work which is still required to be undertaken. There were just under 100 contracts identified on SLLC contract register as at 30 September 2024 which was also introduced as part of the improvement work identified in the original strategy.

Commitment to and the communication of this strategy continues to be a key step to ensuring that SLLC builds on this initial improvement to their procurement practices and continue to focus on the national priorities outlined within this document ensuring best value is delivered at all times.

Nick Lansdell
Interim Chief Executive
South Lanarkshire Leisure and Culture (SCIO)

Our vision and mission

The SLLC vision is ‘Healthier, happier, more connected lives,’

The following procurement vision and mission statements have been established to support SLLC’s vision and to ensure the delivery of effective and efficient procurement.

Procurement Vision

“To provide a high quality, fit-for-purpose, procurement function which will provide best value for SLLC and to support SLLC in the delivery of its corporate aims and objectives.”

Procurement Mission

“To provide strong leadership in the procurement process that supports the delivery of socially responsible, sustainable, quality services in the most efficient, cost effective and compliant manner.”

Strategy rationale/context

SLLC procurement is governed by a legislative framework which includes:

- European treaties and directives
- Public Contracts (Scotland) Regulations

This legislation is summarised within the SLLC’s Standing Orders on Contracts.

This strategy is aimed at promoting effective, compliant procurement across SLLC. It aims to strike a balance between setting out a top level framework for the delivery of first-rate procurement and delivering a detailed plan which will address specific targets. The strategy will also ensure full compliance with the above mentioned legislative framework.

The purpose of the strategy is to:

- Provide a framework for SLLC to develop a plan to achieve continuous improvement in SLLC’s procurement activity;
- Enable procurement to contribute to SLLC’s overall vision and provide efficiencies to help SLLC deliver its key priorities and front line services;
- Enhance compliance with relevant policies and procedures;
- Further extend collaboration with other public bodies and suppliers and;
- Optimise procurement linkages across SLLC.

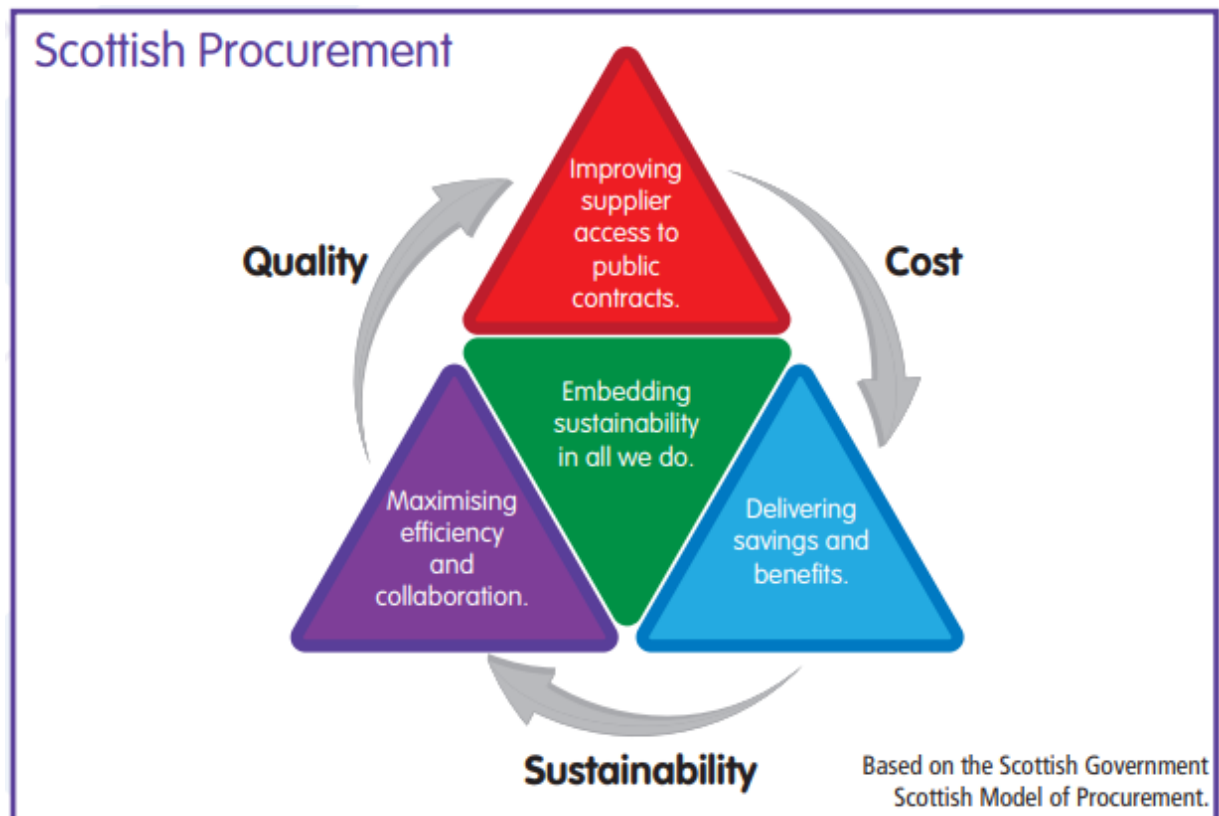
The aims of the strategy are to:

- Build on our ‘improved performance’ status achieved in the 2016 internal audit report and refresh the staff understanding of the procurement agenda continuing to move towards an even better performance level
- Ensure procurement activities are aligned to SLLC’s corporate priorities and strategies and to support SLLC in achieving its targets and goals.
- Ensure SLLC’s procurement activity is carried out as efficiently as possible to meet procurement savings targets

Strategic aims, objectives and key priorities

As laid out in the Procurement Reform Act (Scotland) 2014, this procurement strategy explains how SLLC's approach to procurement fits with, and aligns to, its broader organisational aims and objectives.

Our approach to how we buy goods and services incorporates our priorities and the Scottish Model of Procurement.



SLLC operates within the Scottish Government's [Procurement Journey](#), which ensures openness and transparency in our approach and clarity for stakeholders and suppliers.

SLLC objectives

The key priorities are:

- To ensure value for money is achieved as outlined above

Procurement objectives

The following priorities contribute to SLLC's objective of ensuring value for money is achieved:

- to ensure full legal compliance and governance is adhered to
- to ensure savings and added value are achieved and measured
- to have a more efficient and effective procurement function
- to deliver sustainable procurement, ensuring sustainability is considered for every contract opportunity within SLLC
- to promote compliance by all contractors and sub-contractors with the Health & Safety at Work Act, etc. 1974
- to ensure that all goods and/or services procured by SLLC will be fairly and ethically produced

Priority 1: Legal compliance and governance

Aims:

To align with Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014 and the Procurement Regulations 2016. SLLC will follow the Scottish Government Procurement Journey guidance which can be found at <https://www.procurementjourney.scot/>

How will we do it:

- Update the Standing Orders relating to Contracts to support compliance with the above rules and cascade the changes to all stakeholders
- Introduce an e-procurement system to SLLC to improve compliance with contract awards and enable other process improvement.
- Regularly review and update our internal processes, procedures and documentation to ensure legislative compliance
- Internal audit review of procurement practices
- Ensure all staff involved in procurement activity are appropriately trained and skills are kept current
- Continue to improve the communication of procurement procedures and standard documentation to staff involved in procurement activity

Outcome:

- Procurement activity will comply with statutory and regulatory requirements
- Mitigation of the opportunities for procurement challenge
- Reduction in non-contractual spend
- Improved working relationships between service areas and procurement

Priority 2: To ensure savings and added value are achieved and measured

Aims:

To secure value for money by promoting close working relationships between the service areas and the Procurement team. This will ensure specifications better reflect actual requirements and aid the standardisation of common items/services used across the various service areas to be applied. Procurement exercises will then deliver added value procurement and thus support the achievement of the targeted procurement savings target.

How will we do it:

- Utilise management information to target spend that may be positively influenced by procurement (influenceable spend)
- Ensure collaboration is consistently considered for all procurement activities and actively promoted, where appropriate, to share best practice and increase benefits
- Deploy training to ensure staff only engage with a procurement exercise when it is actually required
- Reinforce, with the support of leadership team, the need and requirement (based on Act/Regulations) to enhance early engagement with services and suppliers to enable and afford innovative strategic sourcing options, e.g. market intelligence, benchmarking etc
- Implement an e-procurement system to SLLC to introduce Purchase to Pay (P2P) efficiencies and identify potential cost saving exercises (e.g. early payment, reduction in paper invoices etc)
- Review key national and sectoral collaborative frameworks to determine best value

Outcome:

- Improved working relationships between service areas and procurement
- Achieve targeted procurement cost saving
- Added value (e.g. cost avoidance, contract management outputs)
- Evidence of the benefits of early engagement
- Introduce Purchase to Pay (P2P) process

Priority 3: To have a more efficient and effective procurement function

Aims:

To have an appropriately skilled and resourced procurement function to enable the provision of best advice to operational services on all procurement issues.

How will we do it:

- Regularly review and update our internal processes, procedures and documentation
- Introduce the Scottish Procurement Competency Framework as part of PDR for Procurement Champions
- Continue to develop guidance to assist all staff involved in procurement to understand roles and process
- Continue to attend SLC Procurement Forum to share best practice

Outcome:

- Leaner processes and improved procurement documentation which is legally and regulatory compliant
- Improved awareness of, and compliance with, SLLCs procurement procedures
- Appropriately trained staff

Priority 4: To deliver sustainable procurement ensuring sustainability is considered for every SLLC contract opportunity

Aims:

To comply in full with our legal obligations and to treat all suppliers equally, fairly and without discrimination. We are committed to making all SLLC procurement exercises transparent and accessible to businesses, especially SMEs, the third sector and supported businesses. SLLC uses the free to access portal, Public Contracts Scotland (PCS), to publish opportunities for all non-regulated procurements. Regulated procurements are advertised using PCS and managed on PCS-T, via a service level agreement with South Lanarkshire Council (SLC) Procurement Service. In order to comply with the sustainability duty, sustainability outcomes will be considered early in the procurement process to ensure that such outcomes are maximised for all procurement processes undertaken. SLC assesses contracts in accordance with the Scottish Government's seven Fair Work First criteria and considers, where appropriate the inclusion of Community Benefits requirements in suitable contracts.

How will we do it:

- Provide targeted training for all staff involved in procurement on these issues
- Conduct regular reviews of procedures against Scottish Government guidance and practice to ensure current guidelines are implemented
- Ensure staff are aware of the Supplier Development Programme and are able to advise suppliers of the existence and work of the programme

Outcome:

- Ability to demonstrate sustainable benefits
- Compliance with Sustainable Procurement Duty

Procurement Activity (Current and Future)

In 2023/24 whilst annual payables spend was £23m, SLLC's influenceable spend was calculated as being £6.5M (29% of total expenditure) with £5.63m (85.63% of influenceable spend) being made under existing contracts and £0.940m (14.37%) remaining to be investigated further to ensure it is being procured correctly in agreement with SLLC Standing Orders. Appendix 1 provides further details on our procurement activity during 2023/24 and 2024/25.

Per Trust Standing Orders, contracting activity is undertaken using the following principles, based on the value of aggregated category spend:

- Under £2,500 (TBC) – All contracts entered into must demonstrate best value
- Between £2,500 and £50,000 – Five competitive quotes must be sought via Quickquote, including 2 quotes from SMEs based in South Lanarkshire, if available
- Over £50,000 – All regulated contracts must be referred to SLC Procurement Service to undertake the tender process.

Before any new procurement exercise is undertaken, the SLC contract register is checked to ensure that there is no existing contract in place which SLLC could also award. This is particularly relevant when considering the most commonly purchased commodities which are used across the public sector.

It is the intention to continue to improve the spend profile outlined above, increasing contract compliance and reducing non-compliant spend by introducing an e-procurement system to SLLC and reviewing influenceable spend annually to ensure high priority areas are identified and addressed.

Appendix 3 provides an outline of expected future procurement activity.

Payment to Suppliers

SLLC's standard payment terms, relating to supplier invoices, is 30 days from receipt of the invoice. This is in agreement with the Scottish Government commitment to improve payment performance to all suppliers.

SLLC expect prompt payment of invoices from all sub-contractors within the supply chain within a maximum of 30 days.

Implementation, monitoring, reviewing and reporting on the strategy

The strategy objectives and the targeted outcomes will be monitored via an action plan, detailed in Appendix 2.

The performance against this action will be reported to and monitored by the existing procurement government structure headed by the Head of Corporate Services, supported by the Finance Manager and Procurement Officer. This will be reported quarterly to the SLLC Performance, Finance and Audit Committee. The Head of Corporate Services and the SLLC Performance, Finance and Audit Committee will facilitate the escalation of any issues that may prevent the delivery of the desired outcomes.

The delivery of the action plan will also be subject to review by the SLC Internal Audit service. In addition to the above, SLLC will continue to develop the use of procurement key performance indicators to manage, track and measure continuous improvement. These indicators, once fully developed, will be reported to SLLC's Leadership Team.

The delivery of the action plan will demonstrate the effective implementation of SLLC's Procurement Strategy.

The strategy will be reviewed on an annual basis to ensure continued alignment with SLLC objectives and priorities. Any significant changes will be reported to the SLLC Performance, Finance and Audit Committee and / or SLLC Board of Trustees.

Strategy ownership and contact details

The owner of this Procurement Strategy on behalf of SLLC is:

Ross McKie

Head of Corporate Services

Telephone: 01698 454320

Email: Ross.Mckie@southlanarkshireleisure.co.uk

Ross is supported by:

Ellen Atkinson

Finance Manager

Telephone: 01698 476155

Email: Ellen.Atkinson@southlanarkshireleisure.co.uk

Gayle Chilton

Procurement Officer

Telephone: 01698 454393

Email: Gayle.Chilton@southlanarkshireleisure.co.uk

The SLLC Procurement Champions

Procedures

SLLC Standing Orders relating to Contracts apply to all contracts made by or on behalf of SLLC for the supply of goods and the provision of services. All regulated procurements (those where the aggregated spend is over £50,000) are undertaken on behalf of SLLC by SLC Procurement Services. This is reflected in the revised Standing Orders.

Policies

- Sustainable Procurement policy
- H&S policy
- Carbon Management

Tools

- SLLC Procurement Process (SLLCs version of the Scottish Governments Procurement Journey)
- Procurement Journey
- Scottish Government Sustainable tools
- SLLC Contract Management guidelines
- SLLC Procurement Awareness Learn on Line course

How to do business with SLLC

Any company interested in conducting business with SLLC must be registered with Public Contracts Scotland (PCS) (www.publiccontractsscotland.gov.uk) and be in a position to submit responses using these electronic tendering portals.

Appendix 1: Procurement Activity 2023/24 and 2024/25

Award date	Supplier	Regulated (Y/N)	Description	Start date	End date	Extension date	Contract value £
23/05/2023	Quay Tickets T/A Lowry Centre	Y	Theatre Ticketing	01/08/2023	31/07/2025	31/07/2026	£120,770
23/06/2023	Gladstone/Innovatise GMBh	Y	Fitness App	23/06/2023	31/07/2024	31/07/2025	£99,750
29/06/2023	Glasgow Scientific	Y	Water testing at pools & JHHP	01/07/2023	30/06/2024	30/06/2025	£61,023
27/07/2023	JP Lennard LTD	N	DAC Lane Ropes	-	-	-	£9,551
31/07/2023	Alliance Leisure Services	N	Membership Marketing	01/08/2023	31/07/2024	-	£43,572
21/08/2023	Artifax	Y	Venue and Event Management Software	21/08/2023	20/08/2026	20/08/2026	£58,776
26/08/2023	CMM Pools	N	Health suite maintenance	28/08/2023	27/08/2026	27/08/2027	£10,180
03/10/2023	PPF Variopool	N	Floating floor remedial - Larkhall	05/10/2023	30/11/2023	-	£11,972
11/12/2023	Eden Springs	N	Supply, Delivery, Installation and Maintenance of Bottled Water Coolers and Mains Fed Coolers	11/12/2023	30/09/2027	-	£33,372
15/12/2023	XMA	N	Swimming Pools Tablets	-	-	-	£7,542
31/01/2024	PPF Variopool	N	Floating floor remedial - DAC	-	-	-	£13,454
16/02/2024	AVMI Kinly	N	Libraries – Portable Podcasting Project Equipment	-	-	-	£3,574
16/02/2024	Pulse Fitness Limited	N	Spin bikes	-	-	-	£2,443
20/02/2024	Covergold	N	Library Microfilm Scanner	-	-	-	£3,850
01/04/2024	Zurich Insurance PLC	Y	SLLC insurance	01/04/2024	31/03/2027	31/03/2030	£2,457,634
04/04/2024	PPF Variopool	N	Remedial works for floating floor at Dollan Aqua Centre. 2	-	-	-	£6,853
30/04/2024	Marshall's International LTD	N	Ice resurfacing machine	-	-	-	£3,263

Award date	Supplier	Regulated (Y/N)	Description	Start date	End date	Extension date	Contract value £
			repair and service				
09/05/2024	PPF Variopool Ltd	N	DAC Floating floor remedials 3	-	-	-	£23,465
15/05/2024	Lindsay Leeper Coaching	N	Swim Teachers qualification course tutor	15/05/2024	31/03/2025	31/03/2025	£10,000
15/05/2024	Flogas	N	Bulk LPG - JHHP	16/05/2024	16/05/2027	16/05/2027	£24,678
02/08/2024	Board/Leadership Team workshop facilitator re-advert	N	Pro Futura Limited	03/08/2024	30/11/2024	30/11/2024	£4,995
12/08/2024	Culture Portable Appliance Testing	N	CBITS	13/08/2024	30/09/2024	30/09/2024	£4,323
21/08/2024	Strathaven Park & Lanark Loch Catering concessions	N	Country Park Catering	21/08/2024	31/03/2025	31/03/2025	£6,606
24/10/2024	PPF Variopool LTD	N	HWP Floating Floor Repairs	-	-	-	£17,951
29/10/2024	PPF Variopool Ltd	N	Larkhall Floating Floor Repairs	-	-	-	£3,376
12/11/2024	Mediascape LTD	N	Libraries – Portable Podcasting Project Equipment 2	-	-	-	£2,233
04/12/2024	Airedale Catering Equipment	N	2x Six Gas Burner Range Cooker for Ballerup Hall	-	-	-	£5,092
09/12/2024	PPF Variopool Ltd	N	Remedial works for floating floor at Dollan Aqua Centre 4	-	-	-	£7,407
16/12/2024	Airedale Catering Equipment	N	Commercial Dishwasher for Chatelherault				£4,399
03/01/2025	A McGown Coaching	N	Swim Tutor to deliver Scottish Swimming	03/01/2025	31/05/2025	31/03/2025	£2,630
17/01/2025	Cormartie Hobbycraft Ltd	N	Replacement Kiln for HTH	-	-	-	£4,100
20/01/2025	Churchill Catering LTD	Y	Catering Concessions @ JHHP and Calderglen	01/10/2024	30/09/2025	30/09/2025	£119,451

Award date	Supplier	Regulated (Y/N)	Description	Start date	End date	Extension date	Contract value £
			Country Park				
20/01/2025	Lindsay Leeper Coaching	N	Swim Tutor to deliver Scottish Swimming Teachers Qualification Course	01/04/2025	31/03/2026	31/03/2026	£15,000
20/02/2025	Cardinus Risk Management Limited	N	Conflict Management Training	01/03/2025	31/10/2025	31/10/2025	£5,300
01/03/2025	CCM Pools Ltd	N	Steam Generator Replacement at Hamilton Water Palace	01/03/2025	31/03/2025	31/03/2025	£2,826

Appendix 2: Procurement Strategy Action plan

Action	Strategic Objectives	Responsibility	Timescale
Introduce an e-procurement system to SLLC to – 1) improve compliance with contract awards and enable other process improvements. 2) introduce purchase to pay (P2P) efficiencies and identify potential cost saving exercises (e.g. Early payment, reduction in paper invoices).	<ul style="list-style-type: none"> Legal Compliance and Governance Ensure savings and added value are achieved and measured 	Finance Manager / SLC	Mar 25
Update the Standing Orders relating to contracts to support compliance with the above rules and cascade changes to all stakeholders.	<ul style="list-style-type: none"> Legal Compliance and Governance 	Head of Corporate Services / Finance Manager / SLC	Sep 25
Introduce the Scottish Procurement Competency Framework as part of Performance Appraisal for Procurement Champions.	<ul style="list-style-type: none"> A more efficient and effective procurement function 	Head of Corporate Services / LT	Mar 26
Regularly review and update our internal processes, procedures and documentation against Scottish Government guidance / practice to ensure current guidelines / legislation is implemented.	<ul style="list-style-type: none"> Legal Compliance and Governance Ensure savings and added value are achieved and measured Ensure sustainability is considered in Procurement 	Finance Manager / Procurement Officer / Procurement Review Group	Ongoing
Deploy training to ensure staff understand when procurement exercises are required, they are appropriately trained to complete them and their skills are kept up to date.	<ul style="list-style-type: none"> Legal Compliance and Governance Ensure savings and added value are achieved and measured 	Finance Manager / Procurement Officer	Ongoing

Action	Strategic Objectives	Responsibility	Timescale
Continue to improve the communication of procurement procedures and standard documentation to staff involved in procurement activity	<ul style="list-style-type: none"> Legal Compliance and Governance 	Finance Manager / Procurement Review Group	Ongoing
Internal Audit Review of Procurement Practices	<ul style="list-style-type: none"> Legal Compliance and Governance 	SLC	Ongoing
Ensure staff are aware of the supplier development programme and area able to advise suppliers of the existence and work of the programme	<ul style="list-style-type: none"> Ensure sustainability is considered in Procurement 	Finance Manager / Procurement Officer / Procurement Review Group	Ongoing
Reinforce, with the support of leadership team, the need and requirement (based on Act/Regulations) to enhance early engagement with services and suppliers to enable and afford innovative strategic sourcing options, e.g. market intelligence, benchmarking, etc	<ul style="list-style-type: none"> Ensure savings and added value are achieved and measured 	Finance Manager / Procurement Officer	Ongoing
Review key national and sectoral collaborative frameworks to determine best value	<ul style="list-style-type: none"> Ensure savings and added value are achieved and measured 	Finance Manager / Procurement Officer / SLC	Ongoing
To ensure collaboration is consistently considered for all procurement activities and actively promoted where appropriate, to share best practice and increase benefits	<ul style="list-style-type: none"> Ensure savings and added value are achieved and measured 	Finance Manager / Procurement Officer	Ongoing
Utilise management information to target spend that may be positively influenced by procurement (influenceable spend)	<ul style="list-style-type: none"> Ensure savings and added value are achieved and measured 	Finance Manager	Ongoing
Continue to attend SLC Procurement Network to share best practice	<ul style="list-style-type: none"> A more efficient and effective procurement function 	Finance Manager / Procurement Officer	Ongoing

Action	Strategic Objectives	Responsibility	Timescale
Continue to develop guidance documents and methods to assist all staff involved in procurement to understand roles and process	<ul style="list-style-type: none"> A more efficient and effective procurement function 	Finance Manager / Procurement / Officer / Procurement Review Group	Ongoing

Appendix 3: Future Projected Procurement Activity

Contract Description	Expected Award Date	Expected Award Year	Expected Regulated (Y/N)	Estimated Value (£)
Cleaning Materials/Janitorial products	TBC	2025/26	Y	£345,000
Licensing for playing of live and recorded music in public places	Apr-25	2025/26	Y	£143,000
Pool Chemicals	May-25	2025/26	Y	£372,000
Library books/multi-media	May-25	2025/26	Y	£600,000
Booking App for FOH system	Jul-25	2025/26	Y	£200,000
Front of House IT system	Aug-25	2025/26	Y	£640,000
Implementation of Work Scheduling Software/App	Aug-25	2025/26	Y	£90,000
Water sampling at pools & JHHP	Jun-25	2025/26	Y	£185,000
Legal Services for SLLC	Dec-25	2025/26	Y	£150,000
Provision of External Audit Services	Dec-25	2025/26	Y	£80,000
Staff Uniforms	TBC	2026/27	Y	TBC
Sports Retail & Country Parks Retail	TBC	2026/27	Y	£730,000
Theatre booking & ticketing system	TBC	2026/27	Y	£160,000

This list is for planning purposes and is subject to change/amendment based on service need and available resources.

South Lanarkshire
Leisure and Culture

Quarterly Report

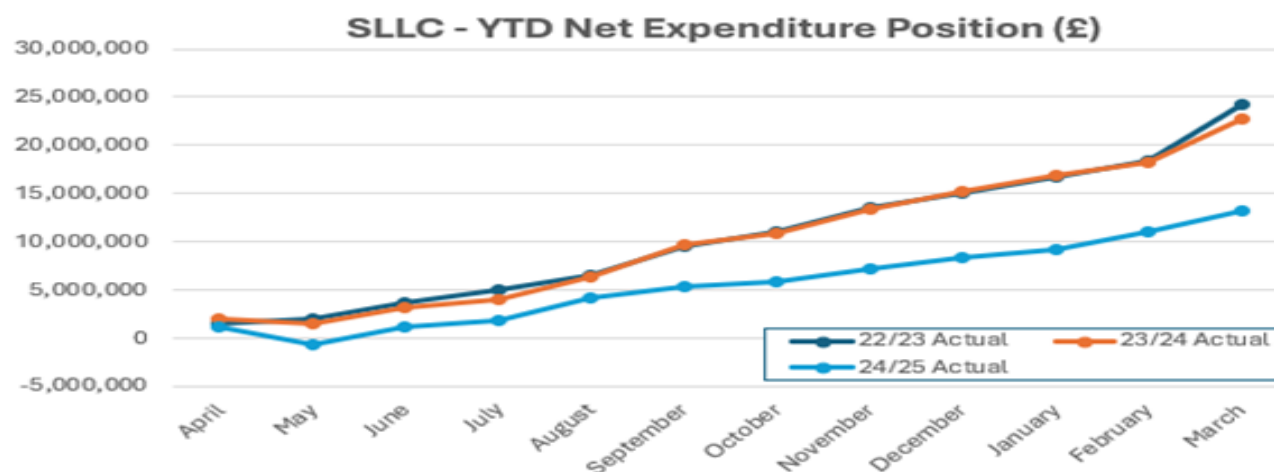


SOUTH LANARKSHIRE
Leisure & Culture

Quarter 1 - April to June 2025

Business Perspective

Budgetary Position



Year to Date	Budget (£K)	Actual (£K)	Variance (£K)	% +/-
Income	(9,001)	(8,979)	(22)	-0.24%
Expenditure	6,592	6,525	67	1.02%
Net Position	(2,409)	(2,454)	45	1.87%

Notes

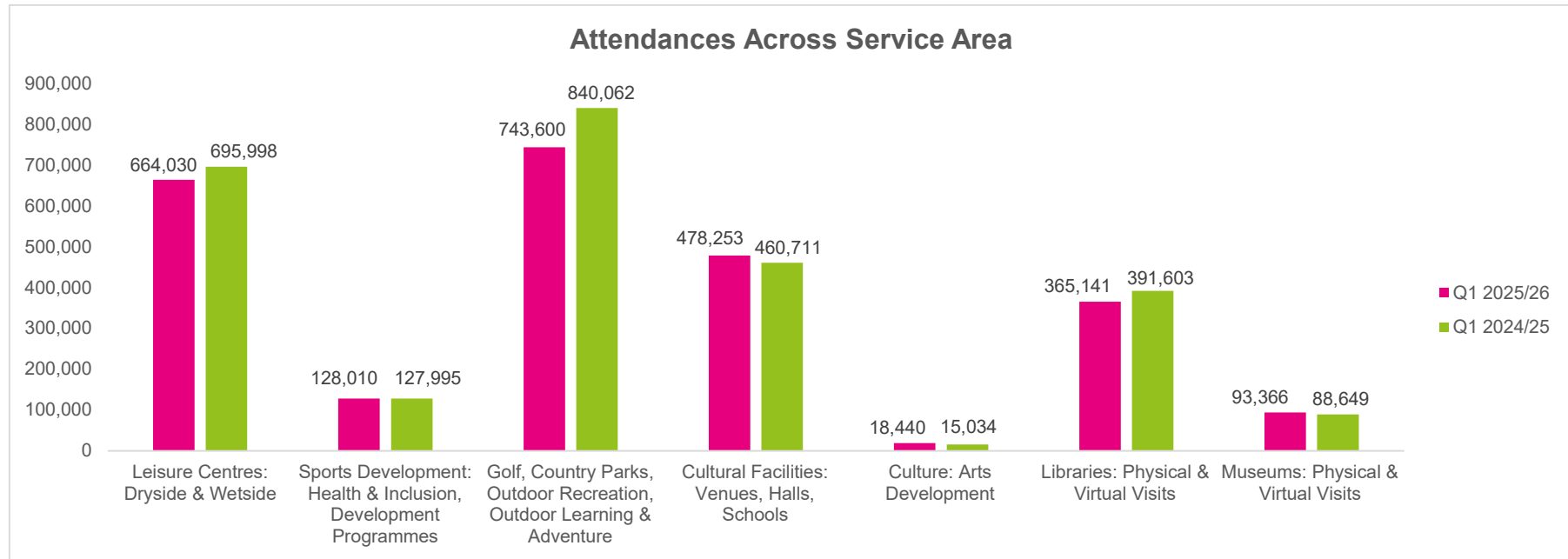
Income overall is currently showing an under recovery of (£0.022m), which is mainly attributable to an income shortfall of (£0.100m) in Fitness/Swim Memberships, Vending Sales & Public Swims/Galas, which is offset by over recovery in income from School / Hall Lets and community fight back funding from SLC for sites that continue to operate whilst suitable community interest in transfer is established.

Expenditure overall is showing an underspend of £0.067m. This primarily relates to underspends of £0.130m due to staff vacancies primarily within SPA, Halls & Libraries. This is offset by (£0.017m) of overspends in property costs due to water charges, (£0.019m) in supplies and services related to IT costs and (£0.036m) related to payment to contractors for self-employed and agency/security staff.

Graph reflects the final actual 2024/25 figure, 2025/26 projection will be updated for Quarter 2.

Business Perspective

Attendances



	Q1	Q1	Year on Year
Attendances	2025-26	2024-25	% RAG Shift
Leisure Centres - Dryside & Wetside	664,030	695,998	● -5%
Sports Development - Health & Inclusion, Development Programmes	128,010	127,995	● 0%
Golf, Country Parks, Outdoor Recreation, Outdoor Learning & Adventure	743,600	840,062	● -11%
Cultural Facilities - Venues, Halls, Schools	478,253	460,711	● 4%
Culture - Arts Development	18,440	15,034	● 23%
Libraries - Physical & Virtual Visits	365,141	391,603	● -7%
Museums - Physical & Virtual Visits	93,366	88,649	● 5%

Business Perspective

Attendances

Notes and Analysis

Facilities Closures/Disruption: Facility disruptions included pool, sauna and hall closures, alongside staffing shortages and cancelled classes. Library closures and relocations also affected engagement.

Leisure Centres: Attendances across leisure facilities have varied between April and June 2025, with indoor (dryside and wetside) usage generally down due to Easter holidays, school exams and good weather which boosted outdoor pitch use but led to quieter indoor centres.

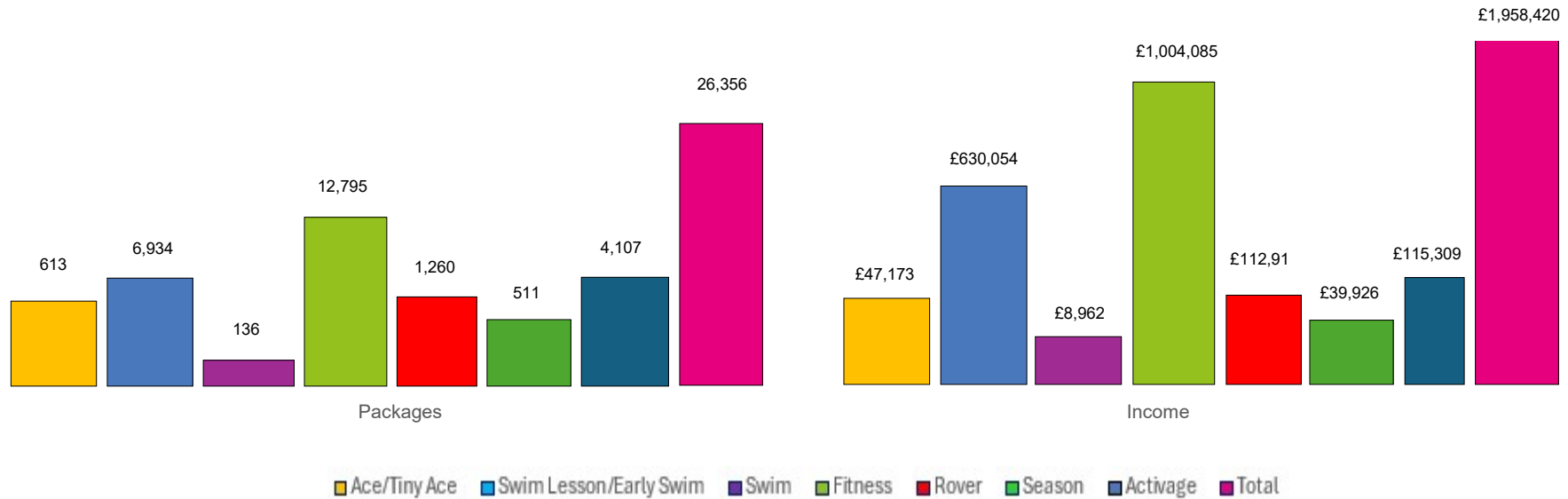
Outdoor Recreation and Country Parks: Outdoor recreation continues to perform strongly, with all natural and synthetic pitches operating at full capacity. Several junior football festivals have been successfully hosted contributing positively to overall participation figures. In April, both country parks received £15,000 in funding, enabling the installation of car counters to accurately track vehicle based attendance marking a shift from previously estimated figures, offering more reliable data moving forward. Both parks maintain a vibrant calendar of seasonal events and are actively maximising opportunities for corporate and commercial events, enhancing community engagement and revenue generation.

Libraries: Recent closures of Greenhills, Halfway and Hillhouse libraries, alongside the relocation of Forth Library with reduced staff support, has affected physical engagement and the number of borrowers.

Business Perspective

Membership Packages and Income

Q1 Membership Packages and Direct Debit Income



Notes and Analysis

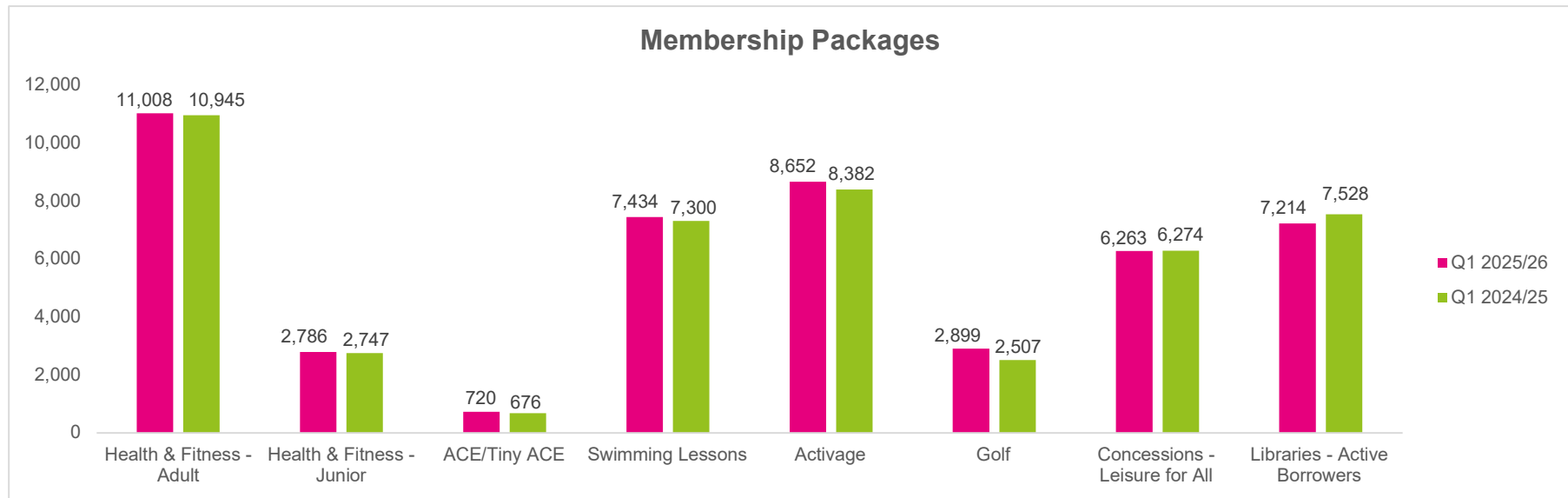
This graph presents two key metrics for Quarter 1 (April–June 2025):

- The total number of membership packages sold through direct debit
- The total revenue generated from these direct debit payments

At the end of Q1, direct debit transactions totaled £1,958,420, reflecting both the volume of member subscriptions and the income collected via direct debit.

Business Perspective

Memberships



	Q1	Q1	Year on Year
Memberships	2025-26	2024-25	% RAG Shift
Health & Fitness - Adult	11,008	10,945	● 0.58%
Health & Fitness - Junior	2,786	2,747	● 1.42%
ACE/Tiny ACE	720	676	● 6.51%
Swimming Lessons	7,434	7,300	● 1.84%
Activage	8,652	8,382	● 3.22%
Golf	2,899	2,507	● 15.64%

Business Perspective

Memberships

	Q1	Q1	Year on Year
Memberships	2025-26	2024-25	% RAG Shift
Concessions - Leisure for All	6,263	6,274	● -0.18%
Libraries - Active Borrowers	7,214	7,528	● -4.17%

Notes and Analysis

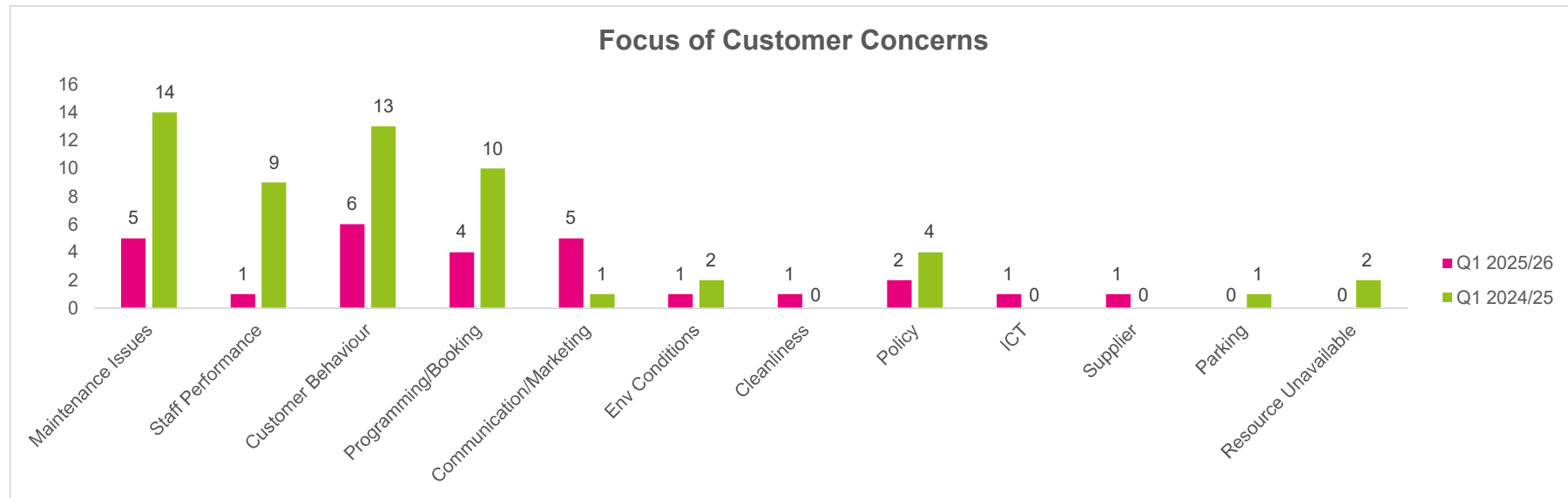
Membership Packages: The figures represent active memberships during the quarter, including those with cancellation requests. Since memberships remain valid until the final payment is processed, cancellations during the reporting period may still be reflected in the count.

Memberships have risen positively across the full range of leisure packages, with the exception of the Leisure for All concessions, which showed a very slight decrease.

Libraries: Recent closures of Greenhills, Halfway and Hillhouse libraries, alongside the relocation of Forth Library with reduced staff support, has affected physical engagement and the number of borrowers.

Business Perspective

Complaints & Information Security



	Q1	Q1	Year on Year
Complaints & Information Security	2025-26	2024-25	RAG Shift
Complaints	38	61	●
Information Security Incidents	0	2	●

Notes and Analysis

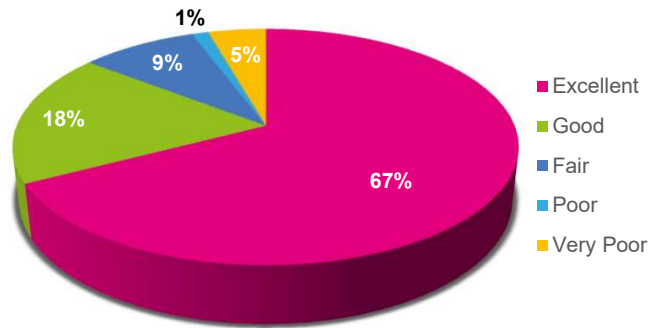
Complaints: 38 complaints raised during Quarter 1: 23 leisure centres, 5 HQ, 6 outdoor and 4 culture. 27 have been closed off, the root causes of which are 2 policy, 4 programming, 6 customer behaviour, 1 staff performance, 5 communication, 5 maintenance, 1 ICT, 1 cleaning, 1 supplier and 1 environmental conditions.

Information Security Incidents: None during Quarter 1.

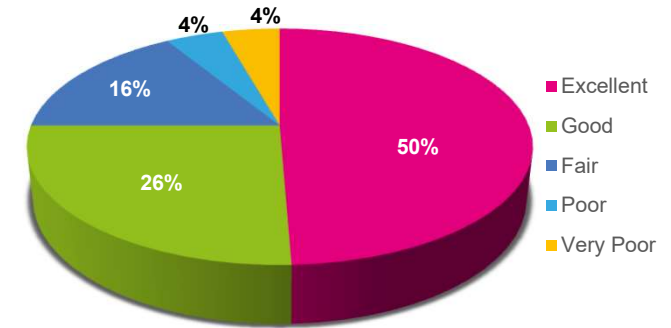
Business Perspective

Customer Satisfaction - How Did We Perform

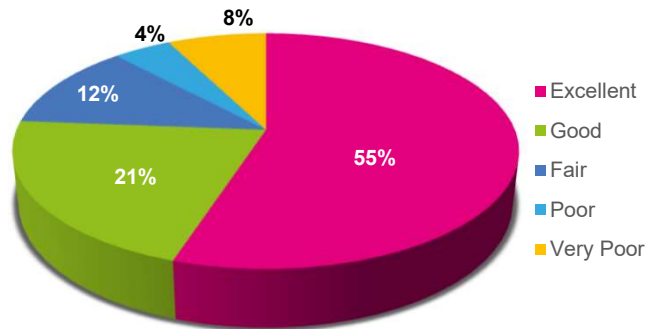
Staff Performance
Top 3 Responses - 94%



Cleanliness
Top 3 Responses - 92%



Value for Money
Top 3 Responses - 88%



Notes and Analysis

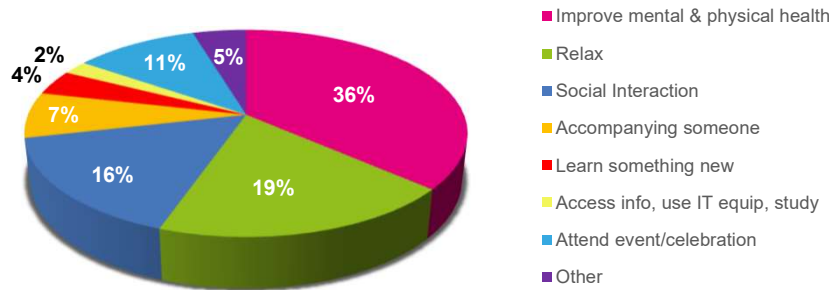
Although Q1 2025/26 returned 164 completed customer satisfaction surveys, results continue to follow a consist pattern of excellent results, with an overall satisfaction rate of 92%. The commitment and dedication of our staff to maintain high standards and an excellent level of service delivery is reflected in the overall satisfaction rating. This can be broken down further into more specific aspects of service delivery:

- Staff Performance 94%
- Cleanliness 92%
- Value for Money 88%
- Quality of equipment/services 85%

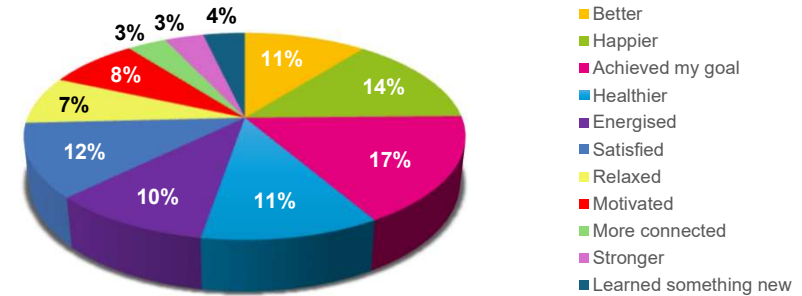
Business Perspective

Customer Satisfaction - Health & Wellbeing

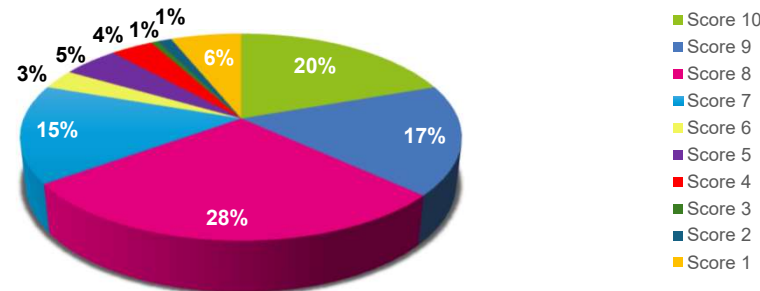
Reason for Visit
Top 5 Responses - 89%



Following your visit, how did you feel?
Top 8 Responses - 90%



Did your visit impact positively on your health?
80% scored 7 and above



Notes and Analysis

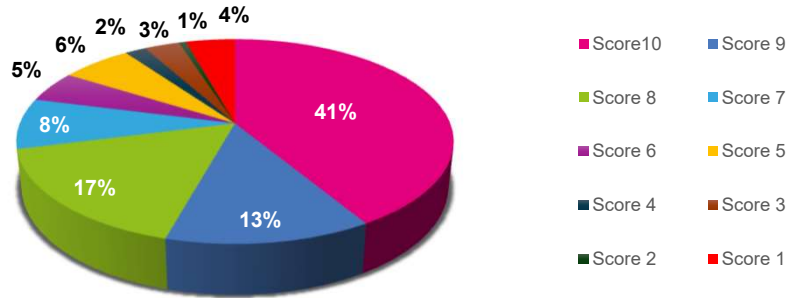
Customers visit our sites for a variety of reasons, whatever the reason we welcome and encourage them:

- 36% said it's about improving their physical and mental health
- 19% said a place to relax
- 16% said a place to socialise and for 11% to attend a show or event
- 90% said they felt better; happier; achieved their goal; felt healthier; more energised; satisfied; relaxed and motivated
- 80% said their visit had a positive impact on their health and wellbeing

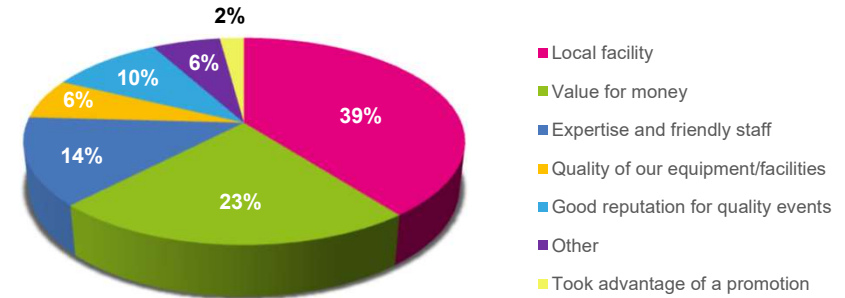
Business Perspective

Customer Satisfaction - Communication

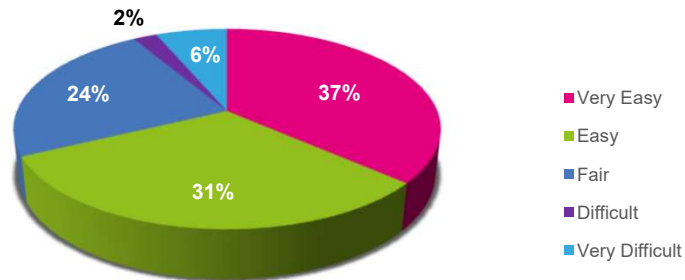
79% of customers would recommend SLLC to a friend



Why customers chose SLLC



Experience of using website and social media
Top 3 Responses - 91%

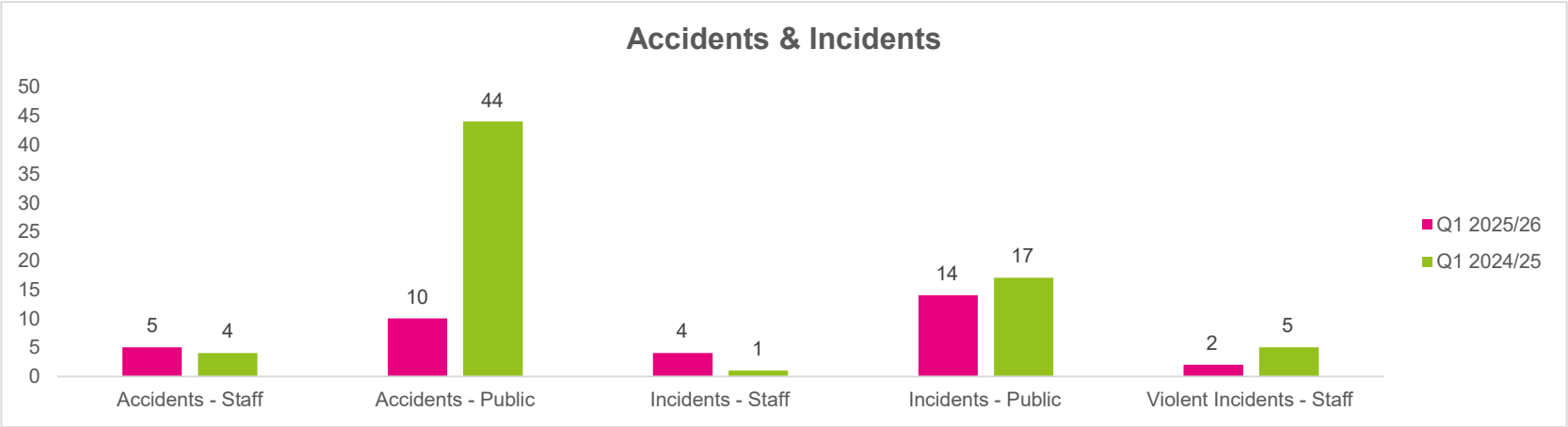


Notes and Analysis

Word of mouth is always a great recommendation and 79% of customers said they would recommend us to a friend. When asked how customers heard about SLLC, they responded:

- 43% word of mouth • 23% other • 11% website • 13% social media • 10% advertising
- 91% of respondents said they found our website and social media pages easy to navigate
- 87% said that the booking process was fair to very easy to use

Health & Safety



	Q1	Q1	Year on Year
Health & Safety	2025-26	2024-25	RAG Shift
Accidents - Staff	5	4	●
Accidents - Public	10	44	●
Incidents - Staff	4	1	●
Incidents - Public	14	17	●
Violent Incidents - Staff	2	5	●

Notes and Analysis

There has been a increase of 1 in staff accidents this Quarter compared to this time last year and primarily involved minor injuries sustained during routine duties. Public accidents have decreased significantly, compared to the same period last year. This positive trend reflects the organisation’s continued focus on maintaining high health and safety standards. Staff related incidents have risen from 1 to 4 cases compared to the same quarter last year whilst the number of public incidents have fallen from 17 to 14. Staff violent incidents have seen a reduction this quarter evidencing that mitigating measures such as improved partnership working with Police Community Liaison Officers are having a positive effect. Conflict management training is also scheduled for later this year.

Business Perspective

Staffing

Establishment Position (30 June 2025) FTE - Full Time Equivalent calculated on 35 hour basis; Excludes funded posts				
Area	Establishment Variance FTE	Establishment Variance %	Current Recruitment FTE	Comments
Halls	6.60	10.37%	0.84	
Libraries	1.68	2.08%	7.52	
Museums	0.70	6.31%	0.00	
Outdoor	17.55	19.00%	3.01	
Leisure Centres	77.31	23.52%	19.34	Includes elements relating to new structure
Support	-16.32	-43.23%	0.00	Includes elements relating to new structure
Venues	9.23	12.93%	4.81	
Grand Total	96.75	14.11%	35.51	

Notes and Analysis

In line with the new structure, we have been actively recruiting to fill existing vacancies. By filling existing vacancies, we will be able to address any gaps in the current establishment. As a result, the number of vacancies will fall during 2025 with a consequential reduction in the current underspend in employee costs.

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Health and Wellbeing			
We will help the people of South Lanarkshire to live healthier, happier lives with a focus on physical and mental wellbeing			
Priority 1 (HWB1)	Priority 2 (HWB2)	Priority 3 (HWB3)	Priority 4 (HWB4)
Participate in a whole system approach to health and wellbeing along with our partners including the NHS, the Health and Social Care Partnership and others, to improve health and wellbeing for individuals and communities within South Lanarkshire.	Encourage and support the inactive to be active with focus on positive physical health and wellbeing outcomes.	Support positive mental health and deliver on health and wellbeing outcomes.	Provide early intervention and prevention initiatives to address health and wellbeing matters at their root cause.
Comments from Chair of Health and Wellbeing Group			
<p>This quarter saw exceptionally high participation in outdoor activities which is reflective of the great weather during the early spring and summer months.</p> <p>It is especially pleasing to see the volume of partnership working SLLC undertakes to deliver on its Health and Wellbeing themes.</p>			

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Health and Wellbeing

We will help the people of South Lanarkshire to live healthier, happier lives with a focus on physical and mental wellbeing

Health and Wellbeing Successes

Football Festivals: This quarter saw a number of hugely successful football festivals taking place. In April, the annual Blantyre Celtic Youth Football Club festival attracted over 2,200 footballers from 180 teams to their weekend community event, whilst 34 teams from 17 schools took part in the Davie Cooper Festival at Hamilton Palace Sports Ground. The annual Reamonn Gormley Memorial Soccer Festival took place across HPSG, Bent Recreation Area and Jock Stein Centre in June. This event is now seen as one of Scotland's largest football festivals and welcomed over 2,500 young footballers with a further 5,000 in attendance over the weekend.

Picnic with Paddington: In May, our library section's Clydesdale Junior Team hosted a magical day at Castlebank Park with Picnic with Paddington! Both children and adults joined us for a sunny celebration featuring a special Bookbug session, a Paddington story-time, a marmalade sandwich scavenger hunt, and creative crafts. Families brought their own picnics and blankets; we also shared a heartwarming meet-and-greet with Paddington himself. We also welcomed local nurseries to meet Paddington at his bench on Lanark's Main Street and ran a fun online competition to guess how many books he had in his bag. The feedback was glowing – a truly unforgettable day for our little book lovers!

World Refugee Day: In June, Fairhill Library hosted author and mindfulness teacher Martin Stepek for a World Refugee Day talk. Drawing on his own family's experience of forced displacement during the Second World War, Stepek recounted their deportation by Soviet forces, survival through a series of chance events, and eventual resettlement in Scotland. The talk offered a factual and moving account of the refugee experience, highlighting the long-term impacts of statelessness and the importance of empathy. It was well attended and warmly received, prompting engaged discussion and reflection. The event is available via the library's YouTube channel and *Lending Voices Podcast*.

Community Appointment Day: In partnership with NHS Lanarkshire, another successful Community Appointment Day was held at the John Wright Sports Centre. The events aim is to help reduce physio waiting lists and refer patients to our programmes to support early intervention, prevention and rehabilitation of musculoskeletal conditions. We had 47 direct referrals on the day with the youngest person referred being only 15 years old and the oldest 88 years, with almost 100% of the participants referred to various physical activities with SLLC thereafter.

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Connected and Engaged We will enable people to connect with each other and with their community through the services we provide			
Priority 1 (CE1)	Priority 2 (CE2)	Priority 3 (CE3)	Priority 4 (CE4)
Reach out to people where they are, by providing services to all communities across South Lanarkshire.	Support communities to develop and build their capacity and, where appropriate, explore options for asset transfer of our resources.	Develop alternative delivery methods and grow our digital offerings such as online classes and access to e-books.	Help tackle isolation by providing initiatives that bring people together.
Comments from Chair of Connected and Engaged Group			
<p>Our new Digital and Public Relations Officers have hit the ground running, putting in place a raft of new campaigns and promotions which are reaching evermore potential customers and highlighting the array of activities, campaigns and events that we have on offer this quarter within facilities and venues.</p> <p>Crucially this media output is also generating income by showcasing a strong connection between advertising spend and successfully reaching new customers in the form of cultural ticket sales and leisure centre 'leads' converting to members.</p>			

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Connected and Engaged

We will enable people to connect with each other and with their community through the services we provide

Connected and Engaged Successes

School Sport SL 24/25 Programme: 122 of our Primary Schools across SL, connected and engaged with our various sports events. With the main ethos always being fun and enjoyment, our events have so many hidden learning opportunities which encourage teamwork, communication, confidence, decision making, problem solving and resilience. The healthy competition always ensures an environment for our children to have lots of fun, learn and participate with a smile. We've connected 1000's of our young residents, school & support staff, parents/guardians and wider families, at the same time connecting and engaging our coaching staff & volunteers.

Community Theatre: Our Arts Development team facilitated a series of therapeutic drama workshops with a group of 12 adults suffering from various mental health issues. Working with the residents of McKillop Care Home the group devised a familiar story that they performed to the residents using pantomime style. The show incorporated local East Kilbride references and humour and popular songs that residents could connect with, with opportunities for them to sing along and join in for anyone who was up for a bit of audience participation!

Digital Connection: Social media output from our new Digital Officer regarding our gym and studio upgrade campaign reached over 100,000 individuals across South Lanarkshire and resulted in 1,200 new engagers for future retargeting. On the same topic we released our first SLLC press release, crafted by our new Public Relations Officer. Following the success of this first release, others quickly followed highlighting our diverse range of offerings such as 'Windows to the Past' mural project at East Kilbride Care Home, 'The Elmer Adventure' at Lanark Memorial Town Hall and 'Drowning Awareness Week 2025'.

Our Digital team also ran gym refurbishment specific hyper-local digital campaigns in Biggar and Strathaven aimed at engaging and keeping local residents up to date, as well as launching an East Kilbride Facebook/Instagram campaign promoting the Dollan Aqua Centre swim lesson programme. This 'paid for' advertising campaign resulted in 88 new local leads at an impressive cost of just 75p each.

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Equality & Inclusion			
We will provide accessible wellbeing and learning services through targeted interventions			
Priority 1 (EI1)	Priority 2 (EI2)	Priority 3 (EI3)	Priority 4 (EI4)
Ensure equality of opportunity by making sure that our services are accessible to all.	Target our programmes and interventions to ensure we reach those most in need of our services.	Enable access to learning and information across our communities and support community learning.	Provide welcoming inviting spaces where customers receive a warm reception.
Comments from Chair of Equality and Inclusion Group			
<p>Q1 saw progress in our action to target our programmes and interventions, with Calderside Pathfinders project taking place for children from Calderside Academy in Blantyre. The group were identified by the school, and made up of S1 and S2 pupils who need some additional support and would benefit from a modified timetable.</p> <p>Additional success has been seen across our ASN swimming lessons, with new classes being added to Blantyre Sports Centre's Learn to Swim programme. The addition at Blantyre means there are ASN programmes now running at five of our swimming pools across South Lanarkshire. This is in addition to the 974 one to one lessons given throughout the first quarter, which represents 51% of the total private lesson offering.</p> <p>Work towards our learning offering review has been delayed whilst recruitment of a Library Development Officer is in progress. This will be a focus in Q2, once staffing is in place. We still face challenges quantifying the uptake of mandatory E&I modules since the shift to Fusion however HR are working hard to establish how best to accurately report completion of the learning online modules.</p> <p>The group continues to represent SLLC on corporate working groups such as the Access panel and the Equality and Diversity working group, additionally we have been actively promoting the Employee Network Meeting led by SLC equalities team.</p>			

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Equality & Inclusion

We will provide accessible wellbeing and learning services through targeted interventions

Equality and Inclusion Successes

Mortified Money: Rutherglen Town Hall were delighted to welcome back the Mortified Money lunch in June 2025, an event that has taken place since the Town Hall re-opened but unfortunately has not run since the pandemic in 2020. Mortified Money is a tradition that is so ancient that its origins have been lost with the passage of time! However, from the information that has been found, it appears to be based on the very noble and community led desire to help those least fortunate. Over the years the definition of those people has changed, and it was agreed that, to stay true to the spirit of the fund, the town's oldest citizens were to be its recipients. Invitations to attend the lunch at the Town Hall were issued to those who met the criteria of being over 70 years old and having lived within the Rutherglen boundaries for over 50 years. Over 80 Ruglonian's enjoyed a 2-course lunch finishing with some delicious cakes, within the beautiful surroundings of the Grand Hall.

South Lanarkshire Parasport: The third SL Parasport event took place in June at the John Wrights Sports Centre. The SLLC Inclusion Team, incorporating staff from Active Schools, the Health Team and Duty Officers, led sessions in athletics, football and martial arts for around 50 pupils. They were supported by S6 Sports Leadership pupils from St Andrew's and St Bride's High School along with current participants of the SLLC Young Persons Sports Panel. A successful day and one that pupils and school staff are looking forward to again next year.

Trinity High School Cycling Programme: Active Schools, Trinity High School and Clyde Cycle Park recently worked in partnership to provide a cycling programme for targeted S2 pupils. Pupils attended a four week block of cycling sessions at Clyde Cycle Park, learning different cycling skills each week. These skills included cycling skills, cycling safely, mountain biking, BMX and trial biking. Pupils were identified via the Pupil Equity Programme, letting the young people connect to opportunities in the local community. Clyde Cycle Park is right on their doorstep and provides a variety of cycling opportunities for young people of all ages and abilities. A couple of pupils were unable to ride a bike at the start of the programme, but as a result of their lessons and the skilled work of their instructors, they learned this new skill and can now ride confidently, allowing them to participate in another activity which will provide significant benefits to their physical and mental health.

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Organisational Sustainability			
We will develop a business model that allows sustainable provision of quality services in priority areas			
Priority 1 (OS1)	Priority 2 (OS2)	Priority 3 (OS3)	Priority 4 (OS4)
Develop a financially sustainable business model which optimises income and utilises diverse funding streams.	Develop our people ensuring staff remain highly skilled and are supported to deliver the best standard of customer service.	Review our facilities to ensure we have financially sustainable spaces to enable quality service provision.	Reduce waste and energy usage and seek new ways to be more energy efficient across our services.
Comments from Chair of Organisational Sustainability Group			
<p>The period from April to June saw the completion of the year end accounts which are now in the process of being audited. Overall, the organisation finished in a favourable position for financial year 2024-25, with staff across all parts of SLLC being at the forefront of efforts to be efficient in the provision of services and to optimise income wherever possible. This along with existing reserves provides some cushion to the challenges ahead but it is recognised however that 2025/26 will continue to see a number of financial challenges, something everyone continues to be mindful of as well as preparing and identifying potential solutions for the forecast budget gap in relation to 2026-27.</p> <p>The actions related to the 2024 Employee Survey continue to be progressed with the development of a new regular update with employees, covering a wide range of information including organisation and process updates, success stories both organisationally and our staff, employment opportunities and introducing/signposting more ways our staff can raise any issues, opportunities or concerns they may have. The cross service working group is also looking at the various options on how leadership and extended management can have further opportunities to engage directly across our teams and hear / see first hand the excellent work our employees and teams do for our communities.</p>			

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Organisational Sustainability

We will develop a business model that allows sustainable provision of quality services in priority areas

Organisational Sustainability Successes

SLC Transformational Change Fund: A significant amount of work continues to be undertaken related to the SLC Transformation Fund linked to investment in gyms, WIFI, and customer access technology. The preparation and procurement process for the new front of house system was a key activity during the quarter, with award of the contract anticipated mid-way through Q2. With these changes as the catalyst, the focus on collaborative working across the organisation remains a primary focus to identify, plan and technologically scope out the opportunities to enhance customer experiences, broaden income generation channels and improve operational efficiency. Terms of reference, timelines and a project working group established to consider this task.

Developing Young Workforce Event – Lanarkshire & East Dunbartonshire: From 20–22 May, DYW Lanarkshire, in partnership with The British Army, hosted a dynamic regional event at Hamilton Palace Sports Grounds. Building on its 2024 debut, this year's expanded edition featured support from Rangers FC and East Dunbartonshire Council. High school pupils from across the region took part in hands-on, teamwork-based activities designed to enhance learning and explore career pathways in an engaging, employer-led environment.

Spring highlights from our Country Parks: Both country parks delivered a vibrant and well-received Easter programme, featuring a variety of seasonal activities and the launch of our new monthly Cream Teas event. Every event was completely sold out, reflecting strong public engagement and enthusiasm. In addition to our own programming, we proudly supported several outdoor events, including a sold-out Brunch Festival and charitable initiatives such as The Walk for Parkinson's, which attracted over 1,000 attendees. These events showcased our commitment to community wellbeing and inclusive outdoor experiences.

Volunteer collaboration at Calderglen Zoo: Calderglen Zoo partnered with volunteers from Glasgow-based NexaBiome for a team-building volunteer day. Co-ordinated by the senior zoo-keeper, the group helped refurbish the Fischer's lovebird and chicken enclosure. The improvements were warmly received by both visitors and the animals, enhancing the zoo's environment and visitor experience.

Supporting future zoologists: In April, one of our animal keeper's represented SLLC at the University of the West of Scotland during zoology student dissertation presentations. She joined a panel of lecturers and industry professionals to informally assess the students' research projects. Heather also brought along a range of informational guides and interactive props to engage with students. She offered valuable insights into careers in the animal care industry, along with practical advice on CV writing and gaining relevant work experience. Her presence helped inspire and inform the next generation of animal care professionals.

Business Perspective

Delivering Strategic Objectives - Year 4 2024-25

Strategic Working Groups Update

As part of the transition to our new organisational structure and the reassignment of plan ownership, we are revising the format and frequency of our Strategic Working Group meetings.

Effective immediately, meetings will move to a six-monthly schedule (September/March). These sessions will now be referred to as Strategic Progress Forums, with each forum focused on one strategic objective. The updated format will centre on sharing progress, highlighting challenges and successes, and providing staff across all levels of the business an opportunity to contribute their insights.

To support this shift, Annual Service Area Action Plans have been developed, aligned with our organisational strategic objectives. These plans will be monitored monthly by Service Leads to ensure progress against set actions. Updates will be submitted through the existing quarterly reporting process, taking effect from Q2.

This change is designed to reflect the evolving functions of the business and ensure strategic discussions are aligned with current priorities and decision-making processes. The revised schedule will enable more focused engagement and improved oversight across our key objectives.

Business Perspective

Service Disruption

Location	Description	Time Period	Estimated YTD Financial Impact & (Additional Cost of Lost Income)	Comments
Larkhall Leisure Centre	Closure of main hall due to issues with flooring	Sept 2023 - Present	£12,000 (£4,000 per month; £3k dry-side & £1k wet-side)	SLC are finalising planning and design options. The new centre has a completion target date of summer 2027
Gym Upgrade Programme	SLLC will be progressing with major upgrade and equipment re-fit across gym sites from July 25	Commencing July 2025	TBC Q2	Full update will be available in Q2

Notes and Analysis

Despite the unavailability of the main hall for functions, Larkhall Leisure Centre has otherwise been able to operate at near full capacity this Quarter.

Staggered disruption is anticipated throughout Quarter 2 as major refurbishment works and equipment re-fits are carried out across gym areas as part of a major gym upgrade programme. These improvements are part of a broader investment to enhance user experience and modernise fitness facilities.

Capital Projects

The Council has appointed a consultant to undertake an independent objective review of Council properties, including those operated by SLLC. This Estates Review is being led by Housing and Technical Resources and interim updates were reported to Executive Committee in March and June. A final report on the proposed 10-Year Estate Strategy will be presented to the Executive Committee on 5 November 2025.

At the same time, the £13m Transition Fund is helping to modernise the leisure and culture asset base taking account of the following needs: to adapt and modernise; to address energy efficiency and decarbonisation of the estate; to reduce liabilities and cover costs of demolition; and to consider community accessibility. Projects completed in Q1 include the halls flooring refurbishment at John Wright Sports Centre, the upgrade to the changing facilities at the James Hamilton Heritage Park and the demolition of the play park at Hamilton Palace Sports Ground. A range of other works are in design and on site. Officers are now working to identify additional projects to be undertaken as part of the remaining unallocated fund, for approval at committee in August.

Larkhall Leisure Centre - Community drop-in sessions took place on 13 and 18 June to review the revised designs which now include a 3 court games hall following the Council allocating an additional £3.85m to the project. Feedback from these sessions was extremely positive. Planning permission has now been submitted, and the detailed designs and cost plan are currently being finalised. There is a requirement for partial demolition of the existing centre as part of the project enabling works. The demolition is expected to take place towards the end of the year and SLLC have been asked to decant the area affected by end Sept 2025. The main project is expected to start on site in Summer 2026. In addition, adaptation works are being progress during the summer within Larkhall Academy to enable this to be opened up as a dual use facility.

Clydesdale Way paths project / joint 'Three Rivers' venture with Dumfries and Galloway and Scottish Borders councils – A joint award of £22,809,416 received from Levelling Up Fund (LUF). The grant funding agreement has now been concluded with Dumfries and Galloway (as lead applicant) and Consultants Turner and Townsend have been appointed to design and project manage the project. The project is progressing well, and the consultants have reviewed the proposed route in order to firm up the design and costs, and have liaised with various internal stakeholders. A full stakeholder and community engagement plans is currently being developed.

The Country Parks masterplan exercise is ongoing for both Chatelherault and Calderglen, with further consultation to be undertaken during August, and the final plans to be presented to Community and Enterprise Resources Committee in October. Funding has initially been secured through the Transformation Fund to refurbish the toilets within Chatelherault and replace the Conservatory Roof at Calderglen. In addition, the Council identified funding to replace the white bridge at Chatelherault and to develop a bike pump track in Calderglen. All of these projects are currently being progressed.

Emerging Challenges

The following challenges remain:

- While general inflation has continued to ease, uncertainty remains due to other potential cost increases
- The employment market remains competitive with the ability to fill vacant posts creating pressure on operations
- Managing the impact of the pay award and future changes to employer pension contributions
- Some older facilities require investment in order to bring up to modern standards or to halt any further deterioration - a gym upgrade and equipment re-fit across gym sites will be commencing in July 2025

Customer Recognition

Armed Forces Family Fun Day 2025: A Heartfelt Thank You

Who Dares Cares extends sincere thanks for the invaluable support received during the Armed Forces Family Fun Day at Calderglen Park. Your expertise, guidance and commitment helped make the event a smooth and memorable celebration for our Armed Forces community. It was a pleasure working with someone who truly cares and goes above and beyond. Your contribution made a real difference and we look forward to future collaborations.

Hamilton Town House

Thank you so much for a fantastic show experience, this is our 7th year of shows and this was by far the smoothest process and the most professionally run venue. Thank you to all the staff for being so accommodating, for all the organisation and to the tech staff on the day. I am absolutely delighted with how it all went.

Carluke Leisure Centre Staff

The new male cleaner at Carluke Leisure Centre has made a noticeable impact. The facility is consistently spotless, with clear attention to health and safety. His dedication deserves recognition, especially when praise is often overlooked. Well done!

Hamilton Palace Sports Ground


Just a short note to pass on my thanks to your staff for all their excellent help throughout the past week. It was a great team effort to ensure over 300 children had a brilliant experience at a first-class facility.

Fitness Classes

Loads of classes on offer with fab instructors - I wouldn't go anywhere else than SLLC.

PERFORMANCE, FINANCE AND AUDIT COMMITTEE UPDATE

18 AUGUST 2025

1. Key issues considered:
 - ◆ Internal Audit Activity Report
 - ◆ Outstanding Debt and Bad Debt Write Off Information
 - ◆ Recruitment Equalities Data
 - ◆ Health and Safety Annual Report 2024/25
 - ◆ Procurement Update
 - ◆ Information Security Incident
 - ◆ Health and Safety
 - ◆ Risk Register
2. Key issues to highlight:
 - ◆ The Internal Audit (IA) opinion is that there is reasonable assurance provided on governance, risk management, and control arrangements.
 - ◆ A significant decrease in outstanding debt due to proactive financial management and collaboration with SLC was reported to Committee.
 - ◆ Baseline data was established for the reporting of recruitment equalities information with a commitment to understanding patterns regarding low appointment rates for disabled and ethnic minority candidates.
 - ◆ The Committee was provided with the Health and Safety Annual report which noted a decline in accidents despite increased footfall and a rise in violent incidents, especially in libraries. Lone working arrangements and use of CCTV was discussed, and it was noted that procedures aligned with SLC. Staff support includes mental health and conflict resolution training.
 - ◆ Updates are underway to Standing Orders and procurement activity for first half of the year will be reported at the next Committee meeting.
 - ◆ There were no reported information security breaches. All Freedom of information (FOI) requests and Subject Access requests (SAR) were responded to on time.
 - ◆ 
 - ◆ The Risk Register was updated to reflect reputational risks from partnerships and sponsorships.
3. Any decisions/approvals taken to highlight:
 - ◆ There were no decisions/approvals taken at this Committee meeting as all reports were for noting.
4. Any risks identified to highlight:
 - ◆ There were no significant risks to add to the register as a result of the Committee meeting.



Report

4

Report to:	South Lanarkshire Leisure and Culture Performance, Finance and Audit Committee
Date of Meeting:	18 August 2025
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Internal Audit Annual Assurance Report 2024/2025
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1. Purpose of Report

1.1 The purpose of the report is to:-

- ◆ Update the South Lanarkshire Leisure and Culture (SLLC) Performance, Finance and Audit Committee on the progress and performance of Internal Audit in the provision of internal audit services to SLLC in 2024/2025.
- ◆ Provide an independent audit opinion on the adequacy and effectiveness of SLLC's framework of governance, risk management and control arrangements for the year ended 31 March 2025.

2. Recommendation(s)

2.1 The SLLC Performance, Finance and Audit Committee is asked to approve the following recommendation(s):-

- (1) that the content of this 2024/2025 Internal Audit Annual Assurance Report is noted.

3. Background

- 3.1 South Lanarkshire Council (SLC) delivers an internal audit service to South Lanarkshire Leisure and Culture (SLLC) that conforms with a set of internal audit standards that ensure a professional, independent and objective internal audit service is delivered that supports good governance within an organisation.
- 3.2 In 2024/2025, the applicable standards were the Public Sector Internal Audit Standards (PSIAS) (revised 1 April 2017), compliance with which was mandatory under Section 95 of the Local Government (Scotland Act) 1973. From 1 April 2025, the new Global Internal Audit Standards are applicable (as reported to this Committee on 6 February 2025 and to the Board of SLLC on 29 May 2025).
- 3.3 The Standards require that a Quality Assurance and Improvement Programme (QAIP) is in place to provide assurance that internal audit activity is conducted in accordance with an Internal Audit Charter, that it operates in an efficient and effective manner and that it is perceived to be adding value and improving operations. A previous assessment applicable to PSIAS (the relevant Standards for 2024/2025) confirmed that South Lanarkshire Council's internal audit function generally conformed.
- 3.4 The Internal Audit service is governed by a set of established terms and conditions agreed between SLC and SLLC. These detail Internal Audit's service objectives and

plans for delivery of the service. Obligations attach to both parties, including performance targets.

- 3.5 The approved 2024/2025 Audit Plan, derived from a risk evaluation of each suggested audit area, is outlined in Appendix One and summarised in section 5.
- 3.6 Audit work is discussed with the Head of Strategy and Governance and/or Head of Corporate Services prior to the issue of a final report and progress with the implementation of actions is monitored by those parties on a regular basis. The findings from each assignment in the agreed plan of work are outlined in section 6 below.
- 3.7 The objective of an internal audit service is to evaluate and improve the effectiveness of governance, risk management and control processes. The purpose of this report is to provide a summary of the assignments undertaken during 2024/2025 and based on these findings, provide an independent audit opinion on the overall adequacy and effectiveness of SLLC's framework of governance, risk management and control arrangements during 2024/2025 (see 8.3).

4. Link to SLLC's Objectives and Top Risks

- 4.1 SLLC's main charitable objective is to provide facilities for recreation, sport and cultural pursuits which are of maximum benefit to the community and truly inclusive. In doing so, the organisation seeks to increase opportunities for participation, improve both partnership working and services to all customers and to become an improved value for money organisation. The internal audit service seeks to support this through the delivery of a risk-based plan of internal audit work each year that tests the processes and procedures that deliver this objective.

5. Internal Audit Workload and Performance – 2024/2025

Workload – 2024/2025

- 5.1 All of the planned audit work for 2024/2025 was concluded prior to the issue of this Annual Assurance Report. The work was conducted in conformance with PSIAS and included:
 - The provision of the **2023/2024 Annual Assurance Report** to this Committee.
 - The provision of **SLLC 2023/2024 supplier and petty cash expenditure** and development of a **data analytics model** with multi-year data, both of which facilitate ongoing continuous controls monitoring (CCM) by SLLC.
 - The provision of **activity reports** to each meeting of this Committee to update on progress with delivery of the 2024/2025 Plan.
 - Ongoing provision of **Fusion implementation support**.
 - Assurances on **shared systems controls** in relation to systems operated by SLC and shared with SLLC, such as **Fusion**.
 - **Follow-up** of progress with the implementation of audit actions recommended during prior year audits (**cash control, data protection and business continuity**).
 - A review of the controls within the **overtime claims** process.
 - Presentation of the draft **2025/2026 Internal Audit Plan** and the revised Internal Audit Mandate, Charter and Strategy to the Committee and Board for approval.
 - An overview of the new **Global Internal Audit Standards** and the roles and responsibilities of the Board in respect of the internal audit service delivered within the context of the Standards.
- 5.2 PSIAS requires the internal audit function to demonstrate engagement with clients to ensure the Audit Plan, agreed at the outset of the year continued, throughout the year, to address known and emerging risks. To satisfy this requirement, feedback was

gathered whilst delivering the Plan. In addition to the planned assignment, some additional **advice and guidance** was provided to SLLC management in relation to:

- Further assessment of cash controls following another banking discrepancy during 2024/2025.
- The benefits of using the internal audit **fraud risks / controls template**, when reviewing the organisation's risk register, to assess completeness of the inclusion of fraud risks and corresponding controls to mitigate those risks within the corporate risks register.
- The benefits of using the Institute of **Internal Auditor's (IIA) 'Three Lines' approach** when assessing the completeness of assurances that controls are in place and working effectively to mitigate key risks for the organisation.

5.3 The date that draft audit findings were issued to SLLC is outlined in Appendix Two.

Performance – 2024/2025

5.4 Delivery of an effective and efficient internal audit service requires good performance in three key areas - delivery of audit work within agreed budget days, issue of reports timeously following completion of audit fieldwork and prompt agreement of findings and recommendations with clients. Performance is outlined in Appendix Three.

5.5 For the 2024/2025 Plan - all audit fieldwork is now concluded and findings and recommendations agreed by SLLC prior to the issue of this annual assurance report. The overtime claims process review was the last item of fieldwork to be concluded in June 2025. The findings from this audit and recommended action will be discussed with the Head of Corporate Services and a formal report issued imminently. All work has been completed within the budget agreed for the 2024/2025 Audit Plan.

5.6 The Committee is asked to note the workload and performance in relation to the delivery of the internal audit service for 2024/2025.

6. Basis of Audit Opinion

6.1 The opinion expressed within this report (see 8.4) has been based primarily on:-

- ♦ the output from the audit work included within SLLC's **2024/2025 Internal Audit Plan**

6.2 Together with reliance on the following areas of assurance that have also been considered in the expression of an overall audit opinion for the year: -

- ♦ outputs of audits on **shared systems** within SLC
- ♦ the work of SLLC's **External Auditors** in relation to the 2023/2024 financial year

Area of Assurance – Internal Audit Plan 2024/2025

6.3 Detailed below are a summary of the key findings from areas which were the subject of internal audit work in 2024/2025: -

I912238 / I916243 – Petty Cash and Supplier Expenditure CCM data

6.4 Each year, Internal Audit extracts a range of data from the financial ledger and sorts this into a series of specific data sets. Using the 'risk indicators' provided, SLLC then reviews the annual data and targets review time to the investigation of higher risk anomalies. The data provided in 2024/2025 included both the petty cash and supplier expenditure data for SLLC for the prior year (2023/2024).

Petty cash

6.5 At March 2024, there were 29 SLLC sites using petty cash with a cumulative balance

of £2,940. Cumulatively these sites processed £6,976 of petty cash transactions during 2023/2024. This data represented a slight reduction in both the balances held and the value of transactions from the year before. Keeping cash balances low helps to reduce the impact of any potential loss or theft of cash.

- 6.6 Other risks attached to petty cash include inappropriate use and the incorrect reclaim of VAT. Petty cash risk indicators focus on patterns, such as particularly low or high numbers of top-ups, top-ups exceeding Imprest values or low VAT reclaim sites.

Supplier expenditure

- 6.7 In 2023/2024, SLLC incurred around £9.273m net spend with suppliers (£8.575m Trust and £0.698m Trade) with a significant number of suppliers continuing to be used across the organisation (Trust used 948 suppliers and Trade used 83 suppliers).
- 6.8 Risks attached to purchasing activity include a breach of standing orders or contract regulations or inefficient purchasing activity. Supplier expenditure risk indicators focus on spend patterns that may merit investigation in these respects. The annual data provided facilitates analysis at individual or cumulative site and supplier ranges.
- 6.9 The continuous monitoring of the same annual data sets, year-on-year, can help somewhat to identify patterns and trends, but this can truly be enhanced when the data model in use combines all of the annual data sets together into one multi-year data set. In this respect, Internal Audit has recently designed a Power BI model that is capable of presenting the data using the same existing data categories so that analysis can be undertaken by applying the existing risk indicators, but with the added benefit of enhanced capability to identify trends and patterns across years. The trial model incorporated the supplier expenditure data for 2021/2022, 2022/2023, 2023/2024 as a way of letting SLLC assess if this more comprehensive data model would be useful, going forward. A decision, in respect of this, will be made once the full capabilities of Fusion reporting are better understood.

1912239 – Overtime claims process (Fusion self-service)

- 6.10 SLLC incurs a significant level of spend on overtime (around three quarters of a million pounds in the last two years). This is a significant sum of expenditure.
- 6.11 The audit focused on two key overarching risks in the wider overtime process.
- 6.12 The first risk is that *overtime is used when alternative, more cost-effective solutions are available*. This was discussed with the sample facilities, and the shift planning process ascertained. Permanent salaried staff generally work a set shift pattern to cover the opening hours for the facility and a minimum level of staffing is required before a facility can be opened to the public. If any of the core members of staff, that provide this baseline cover are absent, their shift will need to be covered. This is generally via the use of overtime. All of the sample facilities were keen to point out that they won't cover an absence if it isn't necessary. Cover can also be required where the facility opens additional hours, for example to cover events and although some of this additional cover is not overtime, where core post cover is required, this may need to be via overtime. If there are underlying issues, such as long-term absence, this can increase the overtime spend for a facility and if it is deemed that there are more permanent capacity issues, a business case can be put forward to increase core staffing at which point consideration would be given to the cost of a salaried post vs. the cost of ongoing overtime to cover the post. There were no particular underlying issues highlighted by the sample facilities whose overtime costs in 2024/2025 were in the region of £18k - £28k across various posts where cover was

being provided. On that basis, it would not appear to be the case that establishment issues are contributing to the level of overtime costs and the risk that overtime is used, when alternative more cost-effective solutions are available, appears, from the testing undertaken, to generally be **low**. Nevertheless, it is important that recruitment to fill vacancies are not subject to undue delay as this can, and does, on occasion, cause extended use of overtime.

- 6.13 The second risk is that *an incorrect, inflated or wholly fraudulent claim is submitted, not detected and then paid*. There are a number of factors that could contribute to this including inadequate checking, verification and / or approvals. This could lead to financial loss for the cost centre in question and could result in reputational damage for SLLC.
- 6.14 In terms of approval to work overtime, a level of assurance was obtained that overtime is being approved, by the facility Operations Officer, prior to this being worked. There is no overt authorisation audit trail, but the nature of the planning process sees the Operations Officer grant approval via the issue of the rota.
- 6.15 Some facilities still use manual timesheets to record hours worked and this is signed by the supervising officer, but generally, with the move to self-service Fusion, claims will require the completion of a Fusion timesheet. SLLC operations deemed it inefficient to complete duplicate manual timesheets and instructed facilities that they did not need to do so. The formal verification audit trail is lost with this change in process and audit work has largely placed reliance on verbal assurances from approving officers that they could vouch that the hours being claimed had been worked as well as the specific reason cover was required where this was not detailed in the Fusion claim.
- 6.16 Similarly, verbal assurances were obtained from approving officers relating to the accuracy checks they performed with all stating that they check that the claim is accurate in terms of hours, date, element codes etc. Some also perform additional checks to ensure it is not a duplicate claim, but others simply place reliance on the Fusion system preventing duplicate claims. Internal Audit cross checked a sample of claims made to the rotas and largely obtained assurance that the approved claims were per the rota but there was one error whereby a claim had been approved for an incorrect day and a further instance when the claim was for a date that the officer was annual leave. It is essential that robust checking is undertaken for every claim otherwise there is a risk that an inflated or fraudulent claim could be approved.
- 6.17 There is a good audit trail in Fusion of the person approving the claim although some of the facilities have still to undergo training on how to run Fusion reports of approvals for a range of claims.
- 6.18 Given the approving officers are acting on the delegated authority of the budget holder to incur overtime spend, it is essential that the overarching budget holders maintain a good level of oversight of the overtime being incurred. There was evidence that budget monitoring, using standard finance budget monitoring reports (FR1s), is being performed on a monthly basis by the budget holders, with a supplementary quarterly review in conjunction with Finance. However, the budget holders are generally not being provided with a copy of the payroll costing breakdown that provides information that is essential for checking the details of overtime incurred and monitoring trends, such as high overtime earners. Some of the facilities expressed a desire for this additional level of information.

- 6.19 In light of the findings above, although deemed by facilities to be low risk, there is a real risk that, without sufficient checking and oversight of overtime claims, an erroneous or inflated claim could be made and given the current level of monitoring, it could be very difficult to spot this retrospectively. Some supporting actions are being recommended in this regard to strengthen the control environment.
- 6.20 Although the scope of the audit was not to specifically test the Fusion system controls, some observations were made that will also be considered, separately, by Internal Audit when planned Fusion testing is undertaken in 2025/2026.

Formal Follow-Up

- 6.21 To comply with Internal Audit Standards, formal audit testing is undertaken to independently assess the level of implementation of recommendations. In general, sample testing of progress with the implementation of actions is completed to provide independent evidence that the implementation of recommendations has led to tangible improvements in the control environment and that identified risks have been mitigated. SLLC's performance in delivering audit recommendations is reported to the Committee throughout the year and as part of this annual report.
- 6.22 The main areas of audit work that required follow up during 2024/2025 related to cash controls, information governance and business continuity. The findings from formal follow-up work in each of these areas are outlined below.

I912240 - Cash Controls

- 6.23 Audit work in 2023/2024 identified a number of risks that SLLC facilities could be exposed to if there were weaknesses in their cash control environment. The overarching risks were:
- **Loss or theft of cash** (poor cash security controls)
 - The risk that **errors, loss / theft or fraud was not detected** (lack of checks / segregation of duties)
 - That identified **anomalies could not be fully investigated** (insufficient audit trail to understand actions / persons performing these).
- 6.24 Improvement actions were agreed to ensure that managers are *pro-actively* ensuring arrangements are as intended and that they are performing spot checks on cash balances. A manager checklist was developed to facilitate self-checks going forward and this was issued, as recommended, by the Head of Corporate Services to all facility managers at the start of 2024/2025.
- 6.25 It was agreed that a further sample of SLLC sites would be visited during 2024/2025 to ensure managers were completing the 'self-assessment' of their control environment and taking steps to strengthen as necessary.
- 6.26 Testing in 2024/2025 obtained some assurance, for sample sites, that managers were aware of their key cash controls.
- 6.27 The most effective control to mitigate the risk that cash could be misappropriated by persons not involved in the cash handling process is to keep cash secure in a locked safe at all times, with only those processing cash able to access it. Assurances were obtained that this control is in place.
- 6.28 Although there are no specific concerns being raised that those with access to cash (as part of their cash handling responsibilities) could misappropriate SLLC monies, there is nevertheless a risk that this could happen and robust monitoring, segregation of duties, appropriate checks and balances and a good audit trail help to

mitigate this risk. Some good controls were observed during testing, but so were control weaknesses and there is inconsistent application of controls across SLLC sites. Post testing, the risk that misappropriation could occur or that error or loss would not be detected is deemed to be possible. If a large sum of cash was to go missing from a SLLC facility, this could have both a financial and reputational impact, not just for the facility but for SLLC as an organisation. As such, some further audit recommendations have been made that, again, aim to tighten the control environment to lessen the risk of misappropriation and ensure that anomalies would be detected timeously. Progress with the implementation of these actions will be formally followed up during 2025/2026 and reported to this Committee.

I914244 (a) - Information Governance

- 6.29 A number of recommendations were made following audit work in this area and progress with implementation of the actions has been reported at each meeting of this Committee. Formal follow-up has been spread across the period of implementation through to completion of the final action, which was reported as closed at the last Committee, May 2025.
- 6.30 Audit testing has concluded that SLLC has taken steps and made good progress in ensuring the risks identified in the original audit is being mitigated by implementing all of the agreed audit actions.

I914244 (b) - Business Continuity

- 6.31 SLLC is responsible for the management and operation of a range of services that are provided to the public across a multitude of premises within South Lanarkshire. There is potential for incidents to arise in any, several, or many of these facilities. To mitigate the risk that an emergency response is not adequate (and the implications that would then follow), it is essential that good controls (up to date risk assessment, incident management protocols, supporting guidance and continuity plans) are in place and there has been sufficient briefing / training undertaken across the organisation to ensure that all relevant parties are aware of the protocols to be followed and their responsibilities specific to those protocols.
- 6.32 SLLC's Leadership Team committed to prioritising the improvement action identified to update, fully roll-out and train employees on the most current SLLC contingency and continuity guidance.
- 6.33 Interim follow-up work took place April 2025, and it was established that work had taken place to implement eleven of the original actions. At the last update to Committee, May 2025, work was continuing with the aim of closing the remaining six actions. Since then, progress has continued, and it is now proposed that a further three actions can be closed based on the action taken. This leaves three actions outstanding relating to the finalisation of the vital records list for SLLC, issue of the draft cyber protocol supplement for SLLC and finalising the training schedule following the scenario session that took place in May 2025.
- 6.34 Progress updates on remaining actions will continue to be provided to this Committee through to completion.

I913241 / I913242 – Shared Systems / Processes

- 6.35 Where SLLC use a system that is also used by SLC, any findings from audit work on those systems which relates to inherent systems processes or controls can be considered by Internal Audit when forming an overall audit opinion of the control environment in SLLC.

- 6.36 This applies to the new Oracle Fusion Cloud Financial and Human Resource applications that were rolled out across both SLC and SLLC during 2024/2025.
- 6.37 Internal Audit work on the system in 2024/2025 has focused mainly on post implementation support within Cash Management.
- 6.38 Implementation of the system has involved changes to some of the financial, procurement and personnel processes in place. In 2024/2025, this has required Internal Audit to recreate the reports required to extract the supplier expenditure and petty cash data from the new system to facilitate continued CCM monitoring by SLLC. Although not tested yet in terms of system controls, the changes to the overtime claim process have also been considered.
- 6.39 Going forward, a rolling programme is planned that will test key processes and seek assurance of robust internal controls within new processes. Outcomes from the first phases of testing during 2025/2026 will be captured within the 2025/2026 Annual Assurance report that will be reported to this Committee summer 2026.
- 6.40 Audit work undertaken for SLC is also considered where there is a shared policy or process or common theme that is applicable to SLLC. In this respect, Internal Audit's continued 'watching brief' of developments relating to SLC's climate change and sustainable development actions is worth noting, particularly as SLLC remain integral to some of the SLC actions as they operate many of the properties for which actions will require to be taken going forward (specifically in relation to net-zero aims). Challenges continue to be attached to the level of work required to achieve the Council's longer term climate change goals, with the most notable being the cost of the work necessary to decarbonise SLC's buildings. Internal Audit will continue to keep abreast of developments in this area, in particular projects falling under the SLC Transformation Fund and the agreement of a longer-term "route map" for decarbonising heat in buildings and how this impacts SLLC.

Area of Assurance – External Audit

- 6.41 SLLC's external auditors, Azets, undertook the 2023/2024 financial audit during 2024/2025 and provided an unqualified opinion in relation to SLLC's financial statements. The auditors applied a risk-based approach to the audit which required them to document, evaluate and assess SLLC business processes and internal controls relating to the financial reporting process. Any control weaknesses that were identified were reported. Recommendations and agreed action were noted. The Head of Corporate Services has advised that action is ongoing in relation to four agreed actions, three of which relate to the implementation of the new front of house booking system (as implementation of the new system will provide the opportunity to implement improved processes to meet the actions recommended).
- 6.42 Findings from external audit work in relation to the year ended 31 March 2025 will be considered in due course when interim output becomes available.

7. SLLC Performance – Delivery of Audit Actions 2024/2025

- 7.1 PSIAS placed a responsibility for monitoring progress with the delivery of audit actions with the Chief Internal Auditor to ensure that recommendations are effectively implemented.
- 7.2 The audit actions due to be completed by SLLC during 2024/2025 have been reported to each meeting of this Committee.
- 7.3 Work has been undertaken by SLLC to close the following actions during 2024/2025:
- ♦ two cash control actions (6.23 – 6.28)
 - ♦ three historic data protection actions (6.29 - 6.30).
 - ♦ fourteen of the seventeen actions from the business continuity audit (6.31 – 6.34).
 - ♦ one e-procurement and one overtime claims process action (closed during 2024/2025 with the implementation of the Fusion HR and P2P applications by SLLC).
- 7.4 The remaining actions, from prior year audits, that remain open are captured in Appendix three and include:
- ♦ Two actions relating to the work to tender for a **new front of house / booking system** for SLLC (contract is expected to be awarded imminently with implementation then taking place throughout the remainder of 2025/2026).
 - ♦ The ongoing action to **log/digitise the 1500 items of inventory** within the Low Park's Museum store
 - ♦ Three actions arising from the **business continuity** audit work undertaken during 2023/2024 (at the last Committee, six actions were open and it is proposed that three of these can now be closed based on action taken since the last Committee, leaving only three left open).
- 7.5 The new improvement actions recommended from the cash control and overtime process audit work undertaken during 2024/2025 will be added to the appendix included in each of the 2025/2026 internal audit activity monitoring reports.
- 7.6 Progress with implementation of all open actions will continue to be monitored throughout 2025/2026 and updates provided to this Committee as part of each routine activity monitoring report.
- 7.7 Internal Audit will continue to note external audit recommendations, agreed actions and progress made with implementation.

8. Summary of Overall Assurance and Audit Opinion

- 8.1 Internal control remains, primarily, a management responsibility to ensure that SLLC conducts its business in a manner that has due regard to the principles of good governance. The procuring of an internal audit service to test and report on control arrangements does not negate the importance of management continually monitoring the effectiveness of internal controls that are in operation. The internal audit service cannot be expected to give total assurance that control weaknesses or irregularities do not exist. The audit opinion is based upon the audit work undertaken during the year and knowledge of SLLC's wider governance, risk management and control arrangements.
- 8.2 All of the work undertaken by Internal Audit, including any shared system audits and the reports produced by External Audit, whether of an investigative or routine nature, help to inform an opinion on whether the internal controls that SLLC has in place are adequate.

- 8.3 In 2024/2025, the Internal Audit opinion is that, overall, reasonable assurance can be placed on the adequacy and effectiveness of SLLC's framework of governance, risk management and control arrangements for the year ending 31 March 2025 (see 3.7).
- 8.4 The Performance, Finance and Audit Committee is asked to note the findings and audit opinion.
- 9. Employee Implications**
- 9.1 The Internal Audit Section within SLC covers the planned audit work but employees in SLLC also contribute to the work by supplying documentation and information as requested and by discussing and agreeing recommendations.
- 9.2 Feedback received in relation to audit assignments is used to highlight areas for training and development. These are progressed on an individual basis as part of the performance development review process. Best practice information is shared, and learning points discussed throughout the year.
- 10. Financial Implications**
- 10.1 The total charge to SLLC for the Internal Audit service is based on the work plan agreed and approved by this Committee. The total charge for services delivered in 2024/2025 was £37,547.
- 11. Climate Change, Sustainability and Environmental Implications**
- 11.1 There are no implications for Climate Change, sustainability or the environment in terms of the information contained in this report outwith reference to shared system work in section 6.
- 12. Other Implications**
- 12.1 SLLC's external auditors, Azets, may consider the findings of Internal Audit in forming an opinion on the organisation as part of their annual audit.
- 13. Integrated Impact Assessments and Consultation Arrangements**
- 13.1 This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and, therefore, no impact assessment is required.
- 13.2 The Head of Strategy and Governance and / or the Head of Corporate Services was consulted in advance of every audit assignment during 2024/2025, and the output was discussed with them prior to the issue of final reports.

Jackie Taylor
Executive Director (Finance and Corporate Resources)
22 July 2025

Previous References

- ♦ Internal Audit Annual Assurance Report 2023/2024 (19 August 2024)
- ♦ 2024/2025 Internal Audit Activity Reports (19 August 2024, 28 October 2024, 6 February 2025, 1 May 2025)

List of Background Papers

- ♦ 2024/2025 SLLC Audit Plan (SLLC Performance, Finance and Audit Committee 19 August 2024)

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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E-mail: yvonne.douglas@southlanarkshire.gov.uk

Agreed SLLC Internal Audit Plan 2024/2025 and current status of assignments

Appendix One

No	Assignment		Status	Comment
1	I918247	SLLC Annual Assurance Report 2023/2024	Complete	The 2023/2024 Annual Report was presented to the August 2024 meeting of the Performance, Finance and Audit Committee.
2	I914245	SLLC Follow-Up: Informal	Complete.	Informal follow-up work was undertaken to provide an update on the status of actions within each Internal Audit Activity Report to this Committee during 2024/2025.
3	I910236	SLLC Activity Reports for PFA	Complete.	Internal Audit prepared activity reports and presented these to Committee in line with the 2024/2025 SLLC Performance, Finance and Audit Committee schedule.
4	I912238	SLLC CCM – Petty Cash and Supplier Expenditure	Complete.	CCM data was provided for Petty Cash and Supplier Expenditure data for 2023/2024. See 6.4 – 6.8.
5	I916243	Data Analytics	Complete.	A Power BI data model was developed to facilitate better multi-year and trend analysis for the annual petty cash and supplier expenditure CCM data. Options on the format of CCM data for future years will be confirmed in due course once all the reports that will be available from Fusion are known. See 6.9.
6	I912239	Overtime process (Fusion self-service)	Report stage.	See 6.10 – 6.20. Actions will be followed up in 2025/2026.
7	I912240	SLLC Follow-Up: Formal	Complete.	Additional site visits were included in the cash controls formal follow-up work. One of these included SLLC site that had identified a banking discrepancy during 2024/2025. See 6.23 – 6.28.
	I914244		Complete.	Additional formal follow-up during 2024/2025 included checks on progress with information governance and business continuity actions. See 6.29 – 6.34.
8	I916246	Fraud Alerts	Complete.	Relevant fraud alerts and advice and guidance shared with SLLC during 2024/2025 as appropriate. See 5.2.
9	I913241	Fusion Implementation	Complete	Fusion HR and P2P were rolled out across SLLC in 2024/2025. Internal Audit provided pre and post implementation support to Fusion teams in both areas. This has included cash management bank reconciliations (payroll reconciliation) support. Also work by Internal Audit to re-create the SLLC CCM data extract

				templates so that the 2024/2025 CCM data can be provided to SLLC (in 2025/2026).
10	I913242	Shared system work	Complete.	See 6.35 – 6.40. Shared systems work was undertaken in relation to the new Oracle Fusion financial and HR systems used by SLC and shared with SLLC.
11	I911237	SLLC Audit Plan 2025/2026	Complete	The 2025/2026 Audit Plan Report was presented to the February 2025 meeting of this Committee and to the May 2025 meeting of the Board of SLLC.

Internal Audit assignments completed during 2024/2025
Appendix Two

Job no.	Assignment name	Draft Issue	Final Issue	Assurance Info
I912238	CCM	17/06/2024	19/07/2024	N/A. Information provided to SLLC for further analysis and investigation if necessary.
I918247	2023/2024 Annual Report	05/08/2024	19/08/2024	Performance, Finance and Audit Committee noted findings from the 2023/2024 Annual Report.
I916243	Data Analytics	05/11/2024	16/12/2024	Performance, Finance and Audit Committee noted work done and that decisions on format of future CCM data to be taken forward via the CCM assignment in the 2025/2026 Plan.
I913242	Shared Systems	31/03/25	31/03/25	Shared systems work was ongoing throughout 2024/2025. Detail captured in this 2024/2025 Annual Report for noting.
I913241	Fusion Implementation	31/03/25	31/03/25	In SLLC, use of Fusion HR fully rolled out and P2P being rolled out between November 2024 and March 2025. Internal Audit pre and post implementation support to Fusion teams in both areas. This has included cash management bank reconciliations (payroll reconciliation) support.
I914245	SLLC Follow-Up: Informal	31/03/25	31/03/25	Informal follow-up work was ongoing throughout 2024/2025, now complete. Informs progress updates to this Committee.
I916246	Fraud Alerts	07/04/25	16/04/25	Relevant fraud alerts shared with SLLC where appropriate throughout 2024/2025. Fraud risk / controls template shared with SLLC as a template to assist SLLC in their assessment of specific fraud risks / controls when next reviewing their corporate risk register.
I910236	SLLC Activity Reports	16/04/25	16/04/25	Internal Audit activity reports prepared and presented to this Committee in line with the 2024/2025 SLLC Performance, Finance and Audit Committee schedule.
I912240	Cash controls	16/04/25	31/07/2025	Report issued to outline cash control findings from 2024/2025 testing and further action being recommended. Actions agreed and final

Job no.	Assignment name	Draft Issue	Final Issue	Assurance Info
				report issued prior to this Annual Report.
I912239	SLLC overtime process (Fusion self-service)	In Discussion		Draft findings included within the Annual Report.

In addition to this work above, the PFA Committee and Board were also provided with an overview of the new Global Internal Audit Standards as part of the 2025/2026 Internal Audit Plan report presented to the PFA Committee (6 February 2025) and Board (29 May 2025).

Formal follow-up relating to Information Governance and Business Continuity is concluded with the issue of this Annual Report.

Performance Indicator	Target
Completion of plan	100% planned assignments complete to draft report stage prior to the issue of this Annual Report
Completed plan within budget	100% of plan completed within budget
Draft reports issued on time	80% of drafts delivered within 6 weeks / 42 days of file review

2024/2025	2023/2024
100%	100%
100%	100%
90% ¹	100%

2024/2025 Performance data relates to four core assignments (CCM, overtime claims process, cash control site visits, formal follow-up)
2023/2024 Performance data relates to four core assignments (CCM, Business Continuity, cash control site visits, COI follow-up)

	Target met
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¹ Draft output that was issued was issued on time following completion of review, where applicable with exception of issue of draft cash controls report that was delayed.

List of actions outstanding, due and closed as at 9 April 2025

Appendix Four

No	Assignment		Action	Original Due Dates	Progress update from SLLC
Prior year actions due in 2024/2025 – still open					
1	I914173	Trade/venue sales MI	Consider all of the requirements for sales MI when considering the specification for the leisure and culture front of house / booking systems. If stand-alone tills will be retained, explore the stock and electronic data download functionalities of those tills to ensure that sales MI is sufficient and available in electronic format to support analysis of sales through those tills (products, volume, income etc). Provide assurances that SLLC have / will have sufficient electronic sales MI to support analysis of trade sales (e.g., type of product, volume of sales, sales price). Action linked to new system.	31/03/2023 (now in line with new front of house / booking system)	SLLC are currently progressing through proposed framework award for a new Front of House System with demonstration and evaluation to take place of available options. The aim will be to achieve an award at some point in Q1 with implementation then taking place throughout 2025/26. The outcome of the procurement exercise will determine available solutions, and the next steps required to address these actions.
2	I919174	Stock control	Re-assess stock control requirements for Cultural Venues with the aim of identifying a more robust digital solution to support the recording and monitoring of Cultural Venue stock (in particular high value stock such as alcohol). [The current spreadsheet monitoring is subject to error and may not be the most efficient methodology]. Action linked to new system.	31/12/2022 (now in line with new front of house / booking system)	
3	I913070	Low Parks Museum	Fully log all items within the museum store, preparing a full inventory record. Once complete carry out periodic (independent) spot checks of high risk / high value items to verify continuing existence.	31/03/2024	Work remains ongoing to log museum store items, per update to PFA Committee February 2025.
Actions falling due in 2024/2025 (from 2023/2024 audits) – still open					
4		SLLC Business Continuity	Re-brief the SLLC Leadership team (and then wider management) on the key aspects of the protocol for managing any cyber incident that may impact SLLC.	31/03/2025	Supplementary cyber protocol procedure for use in SLLC has now been drafted and is with the SLLC IT and Administration Manager for review.

					<p>Protocol will be briefed to relevant persons upon final approval.</p> <p>Action can be closed once procedure shared with applicable persons.</p>
5			<p>Outline the recommended training that the Leadership Team need to undertake in respect of the full spectrum of business continuity considerations. Brief the Leadership Team on this training / how it can be accessed.</p> <p>Provide Leadership Team the opportunity to identify current training gaps and provide guidance on the training available to address these gaps.</p>	31/03/2025	<p>An exercise was undertaken to brief and provide opportunity to leadership team on training gaps.</p> <p>Finalised for Leadership Team with the scenario exercise that took place 20 May 2025.</p> <p>Proposal that action(s) can now be closed with the scenario session providing training to Leadership Team / Managers.</p>
6			<p>Facilitate the participation (by Leadership / Management Team, Facility Managers, Responsible Officers) in business continuity “scenario” training to allow key parties the opportunity to “rehearse” their roles / actions required as part of the SLLC contingency and continuity arrangements.</p>	31/03/2025	<p>(Any residual training gaps covered at action 7).</p>
7			<p>Devise a training schedule and briefing sessions that are available for different key roles in the organisation at induction (Leadership Team, Managers, Responsible Officers) to ensure understanding from offset.</p>	31/03/2025	<p>Induction training reviewed and in place.</p> <p>Assessment of training needs / preparation of training plan now in progress following scenario exercise that took place 20 May 2025.</p> <p>Action can be closed once this is finalised.</p>
8			<p>Facilitate the exercise to assess alternative arrangements that can be invoked to support the continuity of service provision during incidents impacting normal service provision (for example, reverting to manual processes in the event that systems are temporarily unavailable).</p>	31/03/2025	<p>Exercise has been undertaken to re-fresh guidance on manual processes that can be invoked in event of systems being unavailable and has been rolled out.</p> <p>Proposal that action can now be closed.</p>

9			Facilitate the exercise to identify the vital records that require to be “recovered” (and if any in particular would be required as a priority) in the event that systems records were inaccessible.	31/03/2025	<p>The exercise to confirm and prioritise vital records is ongoing.</p> <p>Action can be closed once procedure (including confirmation of vital records) shared with applicable persons.</p>
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Report

Report to:	Board of Trustees
Date of Meeting:	4 September 2025
Report by:	Ross McKie, Head of Corporate Services

Subject:	Revenue Budget 2025/26 – Quarter 1 Update
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1. Background

1.1. The purpose of the report is to:

- ◆ Update the Board on the most recent 2025/26 budget monitoring position as at 30 June 2025.
- ◆ Update the Board on the current projected outturn for financial year 2025/26.

2. Recommendations

2.1. The Board is asked to approve the following recommendation:

- (1) That the content of the report be noted.

3. Background

3.1. This report follows a previous report to the Board on 29 May 2025 regarding the 2025/26 budget.

3.2. This report provides an update on the 2025/26 budget monitoring position as at 30 June 2025 following a robust review of income and expenditure to date across all service areas of South Lanarkshire Leisure and Culture (SLLC).

4. Position as of 30 June 2025

4.1. As at 30 June the SLLC budget has an underspend position of £0.045m which is further detailed in Appendix 1.

4.2. This relates to an expenditure underspend of £0.067m. This primarily relates to underspends of £0.130m due to staff vacancies primarily within SPA, Halls & Libraries. This is offset by (£0.017m) of overspends in property costs due to water charges, (£0.019m) in supplies and services related to IT costs and (£0.036m) related to payment to contractors for self-employed and agency/security staff.

4.3. Income overall is currently showing an under recovery of (£0.022m), which is mainly attributable to an income shortfall of (£0.100m) in Fitness/Swim Memberships, Vending Sales & Public Swims/Galas, which is offset by over recovery in income from School / Hall Lets and community fight back funding from SLC for sites that continue to operate whilst suitable community interest in transfer is established.

5. Projected Outturn Position for 2025/26

- 5.1. In advance of the first outturn calculation to take place during Quarter2, an overall balanced budget position is projected which is further detailed in Appendix 2.
- 5.2. It should be noted that the anticipated cost of the recently approved COSLA pay award will be an additional £0.369m in employee costs for financial year 2025/26, over the level that was provided for in the budget. Once the pay award is implemented in Quarter 2, the required amount will be budgeted for using a further proposed draw down from reserves, the actual requirements for which will be clarified as the outturn projection is developed and refined as the year progresses.

6. Utilities

- 6.1. At the last board update, an update was provided on utilities. £0.700m, representing the underspend in utilities for 2024/25, was transferred from SLC to SLLC as part of the year end accounts process, as approved at SLCs Executive Committee on 25 June 2025. It is now anticipated that the same process will be completed as part of the year end accounts process for any underspend in utility costs in relation 2025/26. It will be for the Council's Executive Committee to agree if underspends in utilities in 2025/26 are returned to SLLC as was the case in 2024/25. Conversely, should the cost of utilities rise above the original allocation transferred to SLC, SLLC will be expected to transfer necessary levels of funding. The cost of 2025/26 utilities will continue to be monitored as the financial year progresses.

7. Next Steps

- 7.1. Continued monthly monitoring will be undertaken and in conjunction with budget holders across SLLC, the focus of which will be to continue to track the outturn projection to ensure this is as accurate as possible. Staff will continue to liaise closely with SLC officers, with an update on projected year end position presented at the November 2025 SLLC Board meeting.

8. Employee Implications

- 8.1. There are no employee implications arising from this report.

9. Financial Implications

- 9.1. The financial implications are as detailed within this report.

10. Other Implications

- 10.1. There are no other implications in terms of risk and sustainability.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. There is no requirement to carry out an impact assessment or consultation in terms of the proposals contained within this report.

Ross McKie
Head of Corporate Services

4 September 2025

Links to SLLC Objectives

- ◆ Organisational Sustainability
- ◆ Health and Wellbeing
- ◆ Connected and Engaged
- ◆ Equality and Inclusion

Previous References

- ◆ 29 May 2025 SLLC Board Report: Revenue Budget 2025/26
- ◆ South Lanarkshire Council, Executive Committee, 25 June 2025 Report: Revenue Budget Year-End 2024/2025

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers, if any, or want further information, please contact:

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South Lanarkshire Leisure and Culture - 2025/26 June (Qtr. 1)
Current Financial Position Report (Variances greater than £50k highlighted)

Objective	Budget (m)	Phasing (m)	Actual (m)	Variance (m)	Comments
SPA	£2.763	(£0.134)	(£0.134)	£0.000	£0.100m of expenditure underspend, the majority of which relates to employee costs is off-set by an income shortfall of £0.100m (Fitness/Swim Memberships, Vending Sales & Public Swims/Galas).
Libraries	£3.000	£0.587	£0.541	£0.045	Underspends in supplies & services £0.009m and income over achievement £0.035m (Printing & grant income from retained properties).
Venues	£1.920	£0.226	£0.185	£0.041	Underspend in employee costs of £0.053m is partly off-set by overspend agency/security staffing.
Halls	£1.929	£0.319	£0.184	£0.134	Underspend in employee costs of £0.046m and supplies/services of £0.011m, and income overachievement of £0.077m (School/Hall Lets and CFF funding for retained properties).
Museums	£0.410	£0.072	£0.069	£0.003	No significant variance.
ACE	£0.004	(£0.065)	(£0.017)	(£0.048)	Underachievement of income.
Outdoor	(£0.401)	(£0.582)	(£0.630)	£0.048	Employee underspend of £0.066m and income over achievement of £0.020m is partly off-set by overspend in retail purchases of £0.038m
Support	£5.361	£0.917	£1.096	(£0.179)	Overspend in employee costs of £0.159m and ICT of £0.020m.
Management Fee	(£14.985)	(£3.746)	(£3.746)	(£0.000)	
Total SLLC	£0.000	(£2.408)	(£2.453)	£0.045	

Subjective	Budget (m)	Phasing (m)	Actual (m)	Variance (m)	Comments
Employee Costs	£25.980	£4.679	£4.549	£0.130	Underspend is due to staff vacancies primarily within SPA, Halls & Libraries.
Property Costs	£2.993	£0.463	£0.480	(£0.017)	Overspend relates to water charges which are currently being investigated.
Supplies and Services	£3.439	£0.708	£0.727	(£0.019)	Mainly due to ICT spend.
Transport Costs	£0.126	£0.033	£0.030	£0.003	No significant variance.
Administration Costs	£1.563	£0.430	£0.427	£0.003	No significant variance.
Payments to Other Bodies	£0.240	£0.150	£0.149	£0.001	No significant variance.
Payments to Contractors	£0.679	£0.110	£0.146	(£0.036)	Self-employed coaches and Agency/Security staff.
Financing Charges	£0.388	£0.019	£0.017	£0.002	No significant variance.
Gross Expenditure	£35.408	£6.592	£6.526	£0.067	
Income	(£20.423)	(£5.254)	(£5.232)	(£0.022)	No significant variance.
Management Fee	(£14.985)	(£3.746)	(£3.746)	(£0.000)	No significant variance.
Net Expenditure	£0.000	(£2.408)	(£2.453)	£0.045	

South Lanarkshire Leisure and Culture - 2025/26 June (Qtr. 1)
Projected Outturn Report (Variances greater than £50k highlighted)

Objective	Budget (m)	Outturn (m)	Variance (m)	Comments
SPA	£2.763	£2.763	£0.000	
Libraries	£3.000	£3.000	£0.000	
Venues	£1.920	£1.920	£0.000	
Halls	£1.929	£1.929	£0.000	
Museums	£0.410	£0.410	£0.000	
ACE	£0.004	£0.004	£0.000	
Outdoor	(£0.401)	(£0.401)	£0.000	
Support	£5.361	£5.361	£0.000	This includes proposed draw down from reserves of £0.337m.
Management Fee	(£14.985)	(£14.985)	£0.000	
Total SLLC	£0.000	£0.000	£0.000	

Subjective	Budget (m)	Outturn (m)	Variance (m)	Comments
Employee Costs	£25.980	£25.980	£0.000	
Property Costs	£2.993	£2.993	£0.000	
Supplies and Services	£3.439	£3.439	£0.000	
Transport Costs	£0.126	£0.126	£0.000	
Administration Costs	£1.563	£1.563	£0.000	
Payments to Other Bodies	£0.240	£0.240	£0.000	
Payments to Contractors	£0.679	£0.679	£0.000	
Financing Charges	£0.388	£0.388	£0.000	
Gross Expenditure	£35.408	£35.408	£0.000	
Income	(£20.423)	(£20.423)	£0.000	This includes proposed draw down from reserves of £0.337m.
Management Fee	(£14.985)	(£14.985)	£0.000	
Net Expenditure	£0.000	£0.000	£0.000	

Risk Register – 2025/26

Ref	Key Risk	Risk Description	Lead Officer	Inherent risk score	Control measures in place	Assessment of controls	Risk Treatment	Residual risk score	Sources of Assurance	Further action required
01	Lack of funding	As a result of South Lanarkshire Council efficiencies and the increased need for the Council to make savings on an annual basis due to lack of government funding, the Service Fee paid to SLLC has been reducing. Lack of funding could result in SLLC requiring to make major decisions on the viability of service provision in non-viable areas, which could lead to closure of facilities, and the loss of posts. Funds may also be required to be diverted from other areas such as investment in resources and materials/equipment and maintenance to ensure that SLLC remained within budgets. Overspending could lead to a depletion of SLLC reserves to support revenue issues leaving SLLC unable to react to future financial emergencies and may lead to poor governance.	Leadership Team	20	<ol style="list-style-type: none">1. Statutory financial regulations2. Robust financial procedures3. Annual business plan4. Performance reporting5. Audits6. Regular communication with SLC7. Implementation of efficiency savings	Good	Mitigate	16	<ol style="list-style-type: none">1. Current Annual report2. Quarterly performance reports3. Current Annual Business Plan4. Monthly budget monitoring	<ol style="list-style-type: none">1. Efficiency savings review2. Annual review of charges3. Internal service reviews – identification of service priority4. Linking with national governing bodies and agendas, sourcing external funding opportunities to support service delivery and development were appropriate5. 3 year service plan6. 5 year financial business plan
02	Reduction in income Competition from the private sector	<p>A reduction in the number of people using SLLC facilities as a result of competition, economic factors, the climate (weather), and post COVID recovery ongoing will result in a reduction in the level of income that is being generated. A reduction in income could have an adverse effect on the level of services being provided which in turn would result in SLLC not meeting usage and income targets. This could also lead to SLLC spending beyond approved budget levels.</p> <p>Increased levels of direct competition from other internal sources and from online alternatives and private sector competitors which are located in the close proximity to SLLC facilities and who offer similar services or products at a cheaper price could result in the viability of service provision being reviewed which could lead to SLLC withdrawing from certain business areas resulting in loss of jobs. The loss of customers to competitors could affect usage targets and will also result in a loss of income being generated. Competitors could offer better salaries and conditions and our employees leave to join them causing SLLC to be unable to deliver fitness classes and other services due to lack of staff.</p>	Head of Operations/Head of Business Development	16	<ol style="list-style-type: none">1. Maintain quality services in facilities – programming; courses; classes2. Trained/qualified staff3. Marketing and marketing team4. Use of IT – online and social media5. Benchmark on pricing6. Quality assessment – audit mystery visits7. External assessments – Visit Scotland8. Strong partnership working – extends community engagement9. Membership retention and promotion. Proactive customer contact.10. Review and amend prices with benchmarking11. Pay and conditions12. Development of SLLC Growth Plan13. Development of Brand Partnership and Sponsorship Plan	Adequate	Mitigate	12	<ol style="list-style-type: none">1. Competitor analysis, detail of business model and likely impact2. Alliance contract providing industry leading marketing and sales advice	<ol style="list-style-type: none">1. Review of customer contact/ engagement2. More progressive use of IT3. IT service Plan4. Improve market analysis5. Improve customer consultation6. Implementation of Pricing Policy to react to market7. Growth Plan implementation8. Brand Partnership and Sponsorship Plan Implementation

Ref	Key Risk	Risk Description	Lead Officer	Inherent risk score	Control measures in place	Assessment of controls	Risk Treatment	Residual risk score	Sources of Assurance	Further action required
03	Poor condition of assets	<p>Ageing buildings, a lack of capital investment and a failure to invest in the maintenance of physical assets could lead to unsafe, outdated and untidy facilities.</p> <p>This could lead to facilities being closed (temporarily, partially or permanently); or become less attractive to customers which in turn would affect the level of service that could be provided, reduce participation numbers and affect income generated.</p> <p>Poor condition of premises could lead to an increase in the number of accidents and resultant claims from members of staff and the public; a reduction in staff morale; and could lead to damage to further assets of SLLC e.g. heritage assets.</p>	Head of Operations	9	<ol style="list-style-type: none"> 1. SLA with SLC H&TR – Post 2000 Maintenance Agreement. Annual meeting with H&TR. 2. Condition surveys carried out by H&TR 3. Reporting defects process in place 4. Legislative compliance managed by H&TR 5. Business continuity plans 6. Health and Safety Management System/Safe systems of work 7. Insurance cover 8. Maintenance of specialist equipment managed through procedures (SLLC) 9. Regular inspection and audit of premises (condition and H&S) 10. Maintenance plan for fixtures and fittings. 11. Transformation Fund 	Good	Mitigate	9	<ol style="list-style-type: none"> 1. Property Condition Reports 2. Internal service Review 3. Agreement by SLC to access PIF funds 4. Transformation fund - £13m 5. SLC led Asset Review 	<ol style="list-style-type: none"> 1. Review SLLC/HTS SLA 2. Review operational procedures in line with legislation 3. Make recommendation to SLC on repairs programme. 4. Liaise with H&TR re any procedural or legislative changes.
04	Information technology	<p>SLLC's IT systems could fail due to a lack of investment in maintenance, development (digital marketing), and upgrades to current systems; power failures; or a lack of training. This could affect the delivery of services to the public leading to a loss of income, and damage to the profile and reputation of SLLC. Failure of IT could also result in breaches to security, and loss of data. Being unable to invest in the development of modern technology could lead to SLLC being viewed as outdated.</p>	Head of Corporate Services	12	<ol style="list-style-type: none"> 1. SLA with SLC 2. External supplier arrangements 3. Dedicated IT team within SLLC 4. IT Service Plan 5. Business Continuity/Contingency plans in place for times when systems down 6. Tender process for new customer facing system will be complete during 2024 7. Transformation Fund 	Adequate	Mitigate	9	<ol style="list-style-type: none"> 1. Current year SLLC IT Strategy 2. Procurement of new customer facing systems 	<ol style="list-style-type: none"> 1. Maintenance, development and implementation of the various IT projects remains costly and time consuming. Budget needs to be retained to allow for continued improvements.

Ref	Key Risk	Risk Description	Lead Officer	Inherent risk score	Control measures in place	Assessment of controls	Risk Treatment	Residual risk score	Sources of Assurance	Further action required
05	Lack of staff, staff skills and the capacity to deliver the Service	<p>The Covid19 Pandemic has had an impact on ways of working as well as recruitment practices with ongoing uncertainty in recruitment, causing various issues for many Scottish businesses including our own. The pandemic has also normalised remote working for many, and our business needs to adapt to new ways of supporting hybrid workers as well as continuing the support in the workplace for those whose jobs are front-line serving our customers.</p> <p>Failure of SLLC to recognise and adapt recruitment processes and procedures could result in us failing to attract and retain talent to our business. Failure to reinstate training and personal development of all staff will result in a reduction in the quality-of-service delivered and if we fail in recruiting talent and fail in engaging with all staff groups, we could see staff morale/motivation reducing which will have a detrimental impact on overall service delivery. This may also lead to a loss of income due to an inability to attract staff and an inability to invest in the retaining of competence levels or being unable to attract and/or develop qualified staff which could have an ultimate detrimental impact to our reputation and could cause damage to the reputation and the profile of SLLC.</p> <p>Also the fact that we have an aging workforce in some areas of the SLLC could have an impact on service delivery as age related injuries or conditions could result in some staff not being able to do the full range of tasks associated with their posts.</p>	Head of Corporate Services	16	<ol style="list-style-type: none"> 1. Agile Working Policy 2. Recruitment Review 3. Reinstate Training and development programme 4. PDR 5. Performance reporting 6. Reinstate robust in-house training programme 7. HR policies and procedures 8. Audit – staff survey, Appraisal, etc 9. Workforce Plan 	Adequate	Mitigate	9	<ol style="list-style-type: none"> 1. HR policies and procedures 	<ol style="list-style-type: none"> 1. Full review of Recruitment Processes and procedures. 2. Investment to training and development reinstated. 3. Ensuring pay scales remain competitive 4. follow workforce planning action plan. 5. Identify service commonalities and develop a transferable skills programme 6. Consider an employability programme 7. Expand on the volunteer programme, providing a wider range for skills and experiences to our volunteers. 8. Staff Retention Policy

Ref	Key Risk	Risk Description	Lead Officer	Inherent risk score	Control measures in place	Assessment of controls	Risk Treatment	Residual risk score	Sources of Assurance	Further action required
06	Museum collection	<p>Poor governance of the museum collection due to a lack of a full inventory and valuations of all items could cause problems if any items are damaged or stolen. There is also an issue with the time it will take to compile an inventory.</p> <p>If this information is unable to be provided it is likely that any subsequent insurance claim would not be settled. This would result in loss of the item, replacement costs to be met by SLLC, and potential complaints from the public.</p> <p>There is a lack of resources to complete the inventory.</p> <p>There has been considerable in-roads made to cataloguing the museum's collection, however there is still considerable work to be done to reduce any associated risk i.e. damaged or stolen items. The cataloguing of the items remains dependent upon available resources.</p>	Head of Operations	12	<ol style="list-style-type: none"> 1. Inventory plan in place. To be updated for 2024. People allocated and methodology agreed. 2. Partial inventory in place for items greater than £10,000 Questions about how value assessed for some items e.g. rare photographs. 3. Items currently insured 4. Repackaging into new storage boxes – provides better protection 5. Items stored in buildings which are covered by alarms etc. Regular security checks undertaken. Higher valued items have better security in place. 6. Digital photographs of all items being taken when inventory is being completed and serial numbers allocated. 7. Trained knowledgeable staff responsible for completion of inventory 8. Feasibility study of stores being completed – appropriate environmental conditions etc. 9. Audits are now completed in the museum itself of the high value items on the display. 10. Store improvements works were completed after receiving funding from risk management. 	Adequate	Mitigate	8	1. SLC Finance's Heritage Asset Report	<ol style="list-style-type: none"> 1. Consider recommendation from the Council's Security Manager. 2. Digitisation and inventory of the collection is on going 3. Valuation of items still outstanding.
07	Information Governance	<p>Risk associated with the loss of personal data.</p> <p>Scrutiny from Information Commissioner re increased requirements to provide proof of information governance following introduction of GDPR in May 2018 could lead to SLLC being subject to increased levels of fines as well as damage to reputation.</p>	Head of Strategy and Governance	12	<ol style="list-style-type: none"> 1. Retention schedules and archiving processes in place. Confidential waste procedures in place. 2. HR procedures in place and records kept within locked cabinets 3. SLLC attend SLC Information Governance Group. 4. Social media guidelines in place. Sites restricted on SLLC IT network. 5. Training modules in place (Learn on Line) 6. Procedures for handling personal and sensitive information in place 7. IT Security policy 8. Breach log 	Adequate	Mitigate	6	1. Internal Audit Reporting to Audit Committee	<ol style="list-style-type: none"> 1. Data Processing/ sharing agreements to be put in place with all partners. SLC still outstanding 2. Review policies, processes, and procedures to reflect new data legislation standards. Many in place, others being developed and amended. 3. Design. test and implement data transfer procedures
08	Business continuity	<p>Business continuity plans are not embedded consistently throughout the SLLC. This could result in interruption to service delivery as a result of:</p> <ul style="list-style-type: none"> • Non-access to buildings • Power failures • IT failures • Loss of staff (illness etc) <p>In times of emergency this could result in SLLC being unable to provide services to members of the public; suffer loss of income; and could damage SLLC's reputation.</p>	Head of Operations	12	<ol style="list-style-type: none"> 1. Business continuity plans in place. Training and roll out of plans taken place. These are drilled down to Section Plans. 2. Emergency action plans/emergency operational procedures in place. 3. Severe weather procedure in place. 4. Emergency directory 5. SLLC dovetail into SLC's procedures. Representation on SLC teams/committees. SLLC follow SLC plans/guidance etc. 6. IT – linked to SLC IT Services; back up procedures etc 7. Vital document processes 8. Audit – contingency planning 	Adequate	Mitigate	8	<ol style="list-style-type: none"> 1. Business Continuity Plans in place for most services reflecting SLC plans. 2. Training & roll out plans in place 	<ol style="list-style-type: none"> 1. Business Continuity Plan to be reviewed and updated 2. Annual Review of plans/review of areas of non-compliance 3. Refresher training to be arranged to ensure all necessary staff are aware of procedures.

Ref	Key Risk	Risk Description	Lead Officer	Inherent risk score	Control measures in place	Assessment of controls	Risk Treatment	Residual risk score	Sources of Assurance	Further action required
09	Security/Anti-social behaviour	<p>Anti social behaviour and criminal activity could lead to damage as a result of inadequate security arrangements at SLLC premises.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Theft of lead and other precious metals • Vandalism (buildings in remote areas – football pavilions/museum store) • Fire <p>This could lead to loss of service provision, cost of repair, insurance claims, and poor reputation due to condition of assets.</p> <p>UK Terrorism threat levels being increased from substantial to severe and then to critical. This could lead to interruptions to the delivery of service, cancellation of events closure of facilities and increased facility checks.</p> <p>Antisocial behaviour presents a risk to staff particularly lone workers</p>	Head of Operations	12	<ol style="list-style-type: none"> 1. Property Security Group (looks at high incidences) 2. Physical control measures (CCTV/Alarms) 3. Building checks/surveys by Insurers 4. Engagement with Community Wardens via Area Action Teams 5. Advice and guidance from Council Security Manager 6. Fire & security checklists completed by SLC and SLLC H&S staff 7. Updated local security information from Police Scotland. 	Good	Mitigate	6	<ol style="list-style-type: none"> 1. Internal and external audits 2. Partnerships 	<ol style="list-style-type: none"> 1. Continued application of SLC advice and guidance 2. Review of CCTV provision and lone working body worn systems
10	Partnerships	<p>Risks include difficulties in funding, commitment, insourcing, agreeing priorities, decision making and lack of accountability. Also little sharing of information. All of this could impact on delivery of major partnership projects. Inappropriate sharing of information. Poor/Inadequate governance arrangements in partner organisations (risk registers).</p> <p>Service provision which relies on restricted funds could be exposed to unexpected loss of funding.</p>	Head of Business Development	9	<ol style="list-style-type: none"> 1. Local SLA's in place for individual projects 2. Regular monitoring of-Restricted Funds expenditure 3. Performance reporting/management for individual Restricted Funds 9. Communication/ Meetings with partners 	Adequate	Mitigate	6	<ol style="list-style-type: none"> 1. Monthly restricted funds monitoring spread sheet 2. SLC Strategic Commissioning Plan setting out the 'ask' from SLLC 	<ol style="list-style-type: none"> 1. Undertake risk assessment of each partnership using SLC Partnership Risk Management guidance
11	Changing demographic and socio-economic structure	The changing general demographic and socio-economic structure of the South Lanarkshire population and communities could lead to a continued reduction in individual's disposable income which results in them becoming more selective about their financial outgoings. As SLLC deliver non-core services to the South Lanarkshire communities, a reduction in individuals spending could result in decreased income and participation levels across all services provided by SLLC and would also affect meeting the priorities and objectives within the Business Plan.	Head of Strategy and Governance	12	<ol style="list-style-type: none"> 1. Business and marketing plans; SWOT analysis and PESTLE analysis 2. SLC policies and plans 3. Partnership working such as Seniors Together, governing bodies, SportScotland and associated research bodies 4. Performance reporting 5. Concession scheme 6. Marketing reviews; target marketing 7. Programme reviews (of activities, courses on offer etc.) 8. Internal Service reviews 	Good	Mitigate	6	<ol style="list-style-type: none"> 1. Quarterly performance reports analysis) 2. Annual Strategic Action Plan 	<ol style="list-style-type: none"> 1. Efficiency savings reviews 2. Use available resources to identify demographic breakdown patterns & trends for the future service provision.
12	Long term planning	Lack of a medium term (3-5 years) business plan (to provide context for annual business plans) could result in strategic change being limited to short term or annual plans. This could affect succession planning, long term financial planning and service planning.	Leadership Team	12	<ol style="list-style-type: none"> 1. Strategic Action Plans 2. Financial Business Plan 3. Asset reviews/Condition surveys 4. Capital investment plans (SLC) 	Adequate	Mitigate	6	<ol style="list-style-type: none"> 1. 5 Year Strategy 2. Individual Annual Service Plans 	<ol style="list-style-type: none"> 1. Implementation longer term strategy for the delivery the services.

Ref	Key Risk	Risk Description	Lead Officer	Inherent risk score	Control measures in place	Assessment of controls	Risk Treatment	Residual risk score	Sources of Assurance	Further action required
13	Procurement	There is no electronic procurement solution in place for SLLC which would help to ensure contract compliance and reduce the amount of manual intervention required within the invoice payment cycle. Compliance with contracts requires to be monitored to ensure there are no breaches of contract putting the Trust at risk of legal challenge and that existing framework and national arrangements continue to meet the Trusts procurement requirements.	Head of Corporate Services	12	<ol style="list-style-type: none"> 1. Partnership working with SLC's procurement service 2. SLLC authorised signatories 3. SLLC Financial regulations and Standing Orders on Contracts 4. Internal and external audit programme 5. Staff training via SLC and SLLC 6. Effective and improved procurement practices 7. Procurement Policy 	Adequate	Mitigate	6	<ol style="list-style-type: none"> 1. Regular Internal audit reports on procurement capability and supplier expenditure review 2. Ongoing work of the Procurement Review Group 3. Reviewed procurement procedures 4. Up to date contract register 5. iProc now planned for implementation during 2024/25 	<ol style="list-style-type: none"> 1. Improve staff awareness/procedural training. Learn on Line programme in place 2. SLLC will be included in wider SLC roll out of Oracle Fusion system
14	Libraries Service Collections	<p>Damage by water or fire to whole or part of a book collection in any library.</p> <p>Loss or damage to reference collections which are irreplaceable and unique and of significant historical value– William Smellie at Lanark library, the Hamilton Estate papers at Hamilton Town House library.</p>	Head of Operations	9	<ol style="list-style-type: none"> 1. The Libraries' service holds a large collection of stock which would enable an element of replacement. 2. In addition, a portion of the stock budget would be redirected to the library in questions albeit reducing the investment in the others. 3. Maintenance of buildings would reduce the chance of flood thereby reducing the risk. 4. Staff training in ensuring security checks and attention to potential risk being averted. 5. These collections are stored in secure accommodation thereby reducing the risk of theft or damage. 	Adequate	Mitigate	6	<ol style="list-style-type: none"> 1. Property Condition Reports 2. Internal service Review 	<ol style="list-style-type: none"> 1. Liaise with HTR re any procedural or legislative changes 2. Investment to training and development
15	Death or serious injury to a member of staff or to a member of the public	<p>Employees and members of the public are at risk of injury, potentially fatal, as a result of:</p> <ul style="list-style-type: none"> • Inadequate health and safety arrangements • Unsafe working practices • Non adherence to safe systems of work/OHSMS • Lack of PPE • Defects not being reported or repaired • Poor maintenance of facilities or equipment <p>This could result in SLLC being fined for breaching H&S legislation and also open to litigation from injured parties.</p>	Head of Operations	10	<ol style="list-style-type: none"> 1. Health and Safety policy and procedures 2. Dedicated Health and Safety team 3. H&S risk assessments, SSOW, COSHH assessments. Follow up H&S audits, completion of H&S action plans (external and internal audits). Including first aid arrangements. 4. Trained/qualified and appropriate staffing 5. Claims trend analysis; assessments post incident 6. Record of "accidents, incidents, near misses and violent incidences" 7. Suitable and sufficient equipment such as defibs in place 8. PPE 9. Each facility – audit visits dependent upon inherent risk level of each site, could be annual as with pools or every 3-5 years as with some halls plus mystery visits 10. Poor condition of buildings – daily checklist and recording of concerns via appropriate reporting systems 11. Water testing contracts 	Good	Mitigate	5	<ol style="list-style-type: none"> 1. Health & Safety Policies, Procedures and working practices 	<ol style="list-style-type: none"> 1. Review of checklists and procedures to continue in line with current policy 2. Review Claims information to establish any existing patterns 3. Audit programme to be resumed

Ref	Key Risk	Risk Description	Lead Officer	Inherent risk score	Control measures in place	Assessment of controls	Risk Treatment	Residual risk score	Sources of Assurance	Further action required
16	Failure to meet legislative demands	Lack of an approach in identifying, acting in accordance with and providing assurance that existing and new legislation is being complied with by SLLC, could lead to gaps existing in SLLC's approach to Health and Safety, DDA, Human Resources etc. Failure to meet legislative requirements could damage SLLC's reputation as a result of poor press coverage, or breaches could result in a fine or penalty; or improvement/prohibition notices being issued.	Leadership Team	8	<ol style="list-style-type: none"> 1. Staff in place with specific responsibilities for legislative compliance 2. External legal advisors 3. Internal and external audit processes 4. SLA arrangements with SLC 	Good	Mitigate	4	<ol style="list-style-type: none"> 1. Ongoing work of Procurement Review Group re National & European Procurement Legislation 2. Ongoing work of Information Governance working group to meet new Data protection legislation 3. Ongoing work of health & safety working group 	<ol style="list-style-type: none"> 1. Continued liaison with Shepherd and Wedderburn on legislative developments/ legal updates.
17	SLLC services/facilities do not provide value for money	If areas within SLLC do not provide value for money to SLLC or the customer this could affect the level or service usage, income, or if that service runs in a deficit (e.g. golf) The cost of hires to community groups/public could be viewed as not attractive which would affect service levels and income.	Leadership Team	9	<ol style="list-style-type: none"> 1. Business and marketing plans; SWOT analysis and PESTLE analysis 2. Performance reporting (financial and usage) 3. Internal Trust service reviews, including efficiencies 4. Benchmarking, mystery visits and audits 5. Consumer consultation, including complaints, general feedback mechanism 6. Efficient and effective marketing techniques and mechanisms; evaluation of campaigns 7. Programme reviews (of activities, courses on offer etc) 8. Staff training – customer service, selling techniques 9. Effective and improved procurement practices 10. Pricing policy allows for SLLC to control controls 	Good	Mitigate	4	<ol style="list-style-type: none"> 1. Monthly management accounts 2. Procurement Strategy 3. Reviewed procurement procedures 	<ol style="list-style-type: none"> 1. Development of Strategic direction and annual Business Plans 2. Maintain awareness of competitors, new products and services
18	Continuous improvement	SLLC may not be able to demonstrate its commitment to continuous improvement if there is a lack of robust evidence and analysis. This may be due to lack of performance information; ineffective approach to improvement including value for money; or limited self assessment. This could result in damage to reputation or external scrutiny bodies concluding that SLLC does not respond to its Best Value duties. There is a need to respond to the challenge that reduced resources will present for progressing service improvement.	Head of Strategy and Governance	9	<ol style="list-style-type: none"> 1. PIs and benchmarking 2. Audits and customer surveys 3. Quarterly Board reports 4. Business planning process 5. Mystery Visits 6. Complaints System 	Good	Accept	4	<ol style="list-style-type: none"> 1. Annual Strategic Action Plan 2. Quarterly performance reports 3. Annual Report 4. Mystery visit Reports 	<ol style="list-style-type: none"> 1. Ongoing completion of sources of assurance outlined in other sections of this report.

Ref	Key Risk	Risk Description	Lead Officer	Inherent risk score	Control measures in place	Assessment of controls	Risk Treatment	Residual risk score	Sources of Assurance	Further action required
19	Reputational Damage	<p>Examples include:</p> <ul style="list-style-type: none"> Financial errors or misconduct Safeguarding failures or allegations of abuse or misconduct Data breaches Conflicts of interest or lack of accountability/transparency of decision-makers Non-compliance with regulations Associations where if the other party becomes involved in a scandal or controversy inconsistent with SLLC's values Inappropriate or offensive conduct by staff or volunteers Negative publicity resulting from unpopular decisions Inappropriate social media use Environmental or social issues Allegations of discrimination Misleading or misinformed communications Negative publicity relating to brand partnerships and sponsorships 	Head of Strategy and Governance	12	<ol style="list-style-type: none"> Framework of policies and procedures – Code of Conduct; Financial Regulations etc Internal Audit function Compliance and regulation – Companies House and OSCR Staff in place with specific responsibilities for legislative compliance External legal advisors Internal and external audit processes SLA arrangements with SLC SLLC Governance Guide for Trustees Member briefings session Effective Marketing and PR Strategies Brand partnership and sponsorship plan 	Good	Mitigate	4	<ol style="list-style-type: none"> Policies and procedures and working practices Service Level Agreements 	<ol style="list-style-type: none"> Update and review Service Level Agreements
20	Governance arrangements	Ability to embed principles of good governance by officers and board members could seriously affect the sound reputation of SLLC.	Head of Strategy and Governance	8	<ol style="list-style-type: none"> Issue information pack to Trustees on appointment which they must sign Development sessions for Board as appropriate 	Adequate	Mitigate	3	<ol style="list-style-type: none"> Info pack received by all Board Members Governance Guide for Trustees Quarterly Audit Committee Board member training with Sheppard & Wedderburn. 	<ol style="list-style-type: none"> Ongoing training
21	Fraud and theft	<p>Due to lack of effective controls, fraud or theft could be committed by employees or members of the public.</p> <p>Examples include:</p> <ul style="list-style-type: none"> Theft of cash Theft of goods Misuse of equipment, mobile phones or vehicles Collusion Misuse of concessions Using facilities without paying <p>This could result in loss of money/goods etc; staff time due to investigations by Police or Internal Audit; and damage to SLLC's reputation.</p>	Head of Corporate Services	12	<ol style="list-style-type: none"> Framework of policies and procedures – Code of Conduct; Financial Regulations etc Internal Audit function Audit Committee External Audit function Compliance and regulation – Companies House and OSCR Physical security measures – CCTV, alarms, and safes 	Good	Mitigate	3	<ol style="list-style-type: none"> Financial Regulations and Scheme of Delegation in place and training in place. Memos issued after completion of individual audit assignments (as appropriate) to ensure dissemination of information across the business on control matters 	<ol style="list-style-type: none"> Memos issued after completion of individual audit assignments (as appropriate) to ensure dissemination of information across the business on control matters.