

Report by Corporate Transformation and Services Director

SCOTTISH BORDERS COUNCIL

19 February 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report informs Council of the positive response from Borders Sport and Leisure Trust (BSLT) agreeing to dialogue on an Integrated Culture and Sport Trust and considers the next steps.**
- 1.2 Council considered a report on 20 November 2014 on the Culture Trust, approved further investigation of an Integrated Culture and Sport Trust with BSLT, and requested a report back to Council in February 2015. This report provides the outcome of these investigations.
- 1.3 A formal request was made to BSLT in December to consider dialogue with SBC on an Integrated Culture and Sport Trust.
- 1.4 BSLT convened a special meeting for February 9th 2015 to discuss this proposal.
- 1.5 BSLT have now agreed to dialogue over an Integrated Culture and Sport Trust.

2 RECOMMENDATIONS

- 2.1 **I recommend that Council:-**
 - (a) **Notes the decision of Borders Sport and Leisure Trust (BSLT) agreeing to the Council's request for dialogue about a Joint Trust**
 - (b) **Approves the approach to joint working with BSLT in considering an Integrated Culture and Sport Trust including the terms of reference for this work.**
 - (c) **Authorises the Corporate Transformation & Services Director in consultation with the Leader of the Council and Executive Member for Culture, Sport, Youth and Communities to agree such amendments as may be required to these terms of reference following discussion with BSLT.**
 - (d) **Requests a progress report back to Council in June 2015 and a final report by no later than 8 October 2015 on the viability**

or not of an integrated trust.

- (e) Notes any the financial implications associated with a delay in the implementation of Cultural Services to a trust will be addressed as part of the revenue monitoring process**

3 BACKGROUND

- 3.1 On 20th November 2014 a report was presented to Council on the Culture Trust requesting time to investigate the feasibility of an Integrated Culture and Sport Trust before deciding to go ahead with a separate Culture Trust.
- 3.2 Officers see the benefits of an integrated trust being:-
- (a) Economies of scale in senior management and back-office functions. BSLT already has a number of support functions in place such as finance, payroll and IT that could be built on for an integrated trust.
 - (b) Business activities such as IT, finance, marketing, branding, PR, business development that could be shared.
 - (c) A single board of trustees required.
 - (d) An integrated trust would have a higher profile than two smaller trusts alone with the public, the press and with the Council.
 - (e) Would benefit from the ten years of trust experience of BSLT.
 - (f) Reduces any risk of competing or conflicting strategies between the two trusts.
 - (g) Cross-marketing initiatives, e.g. High Life Highland membership card covers sport and culture venues. Could encourage use of both by different groups.
 - (h) BSLT has a proven track record, has Charitable Status in place and would not face the same challenges that a new trust would face. This is valuable experience that can be drawn on in an integrated trust.
- 3.3 Officers see the challenges an integrated trust being:-
- (a) Change management: integrating two groups of staff from two different business cultures, i.e. one group of staff who are used to being in a trust and another who are not. Both groups must be fully integrated to succeed.
 - (b) Sport and leisure has more income-generating potential than culture. Steps would have to be taken to ensure that sport and leisure is not financially threatened by the less commercial aspects of culture.
 - (c) Balancing the needs of culture and sport to ensure both meet their objectives. This will need the right mix of skills within the management team and trustees to do this.

4 DIALOGUE WITH BSLT

- 4.1 A formal approach was made to BSLT in December 2014 requesting dialogue on an Integrated Culture and Sport Trust. A number of initial meetings between BSLT and SBC have also taken place to discuss the request and the wider concept.
- 4.2 At a special meeting of the BSLT board on 9th February 2015 they agreed to enter into dialogue with SBC over an integrated trust.

5 NEXT STEPS

- 5.1 It is recommended that the following are the terms of reference for the joint work:
- (a) To jointly undertake work for the Council and BSLT in taking for ward consideration of a joint sport and culture trust
 - (b) To conclude, or not, that there is a sustainable business case for an integrated trust
 - (c) In reaching its conclusions to consider the:
 - i. Experience of integrated trusts elsewhere in Scotland
 - ii. Optimum scope of an integrated trust in the Borders
 - iii. Appropriate governance arrangements for an integrated trust
 - iv. Optimum approach for the provision of support services including (but not exclusively) property, IT, finance and HR
 - v. Likely risks in establishing an integrated trust
 - vi. Any other matters that are identified as being relevant and contribute to the outcome of the group's work

Following approval of these terms of reference by Council these should be discussed further with BSLT and in the event that any amendments are required it is further recommended that the Corporate Transformation & Services Director is authorised, in consultation with the Leader of the Council and Executive Member for Culture, Sport, Youth and Communities Portfolio to agree such amendments.

- 5.2 It is recommended that a Joint Officer Working Group made up of officers from SBC and BSLT work together on the feasibility of an Integrated Culture and Sport Trust and to prepare proposals. This work will include management and delivery of services and could include dialogue with service users and stakeholders. That is likely to include the Culture Forum. The working group will be supported by the project manager who has managed the work to date in considering establishment of the Culture Trust and who therefore has a significant amount of knowledge and understanding of the issues to be considered in respect of an integrated trust.
- 5.3 It is recommended that the current Member Officer Working Group (MOWG) would continue in order to examine and support the work of the Joint Officer Working Group and contribute to discussions with BSLT board members; the key outcome of this work being to arrive at a set of recommendations, or not, for the establishment of an integrated trust.
- 5.4 The Joint Officer Working Group should discuss proposals with the MOWG and if requested the BSLT Board regularly to identify issues and receive feedback.
- 5.5 It is recommended that officers be requested to prepare a progress report back to Council and the BSLT board in June and a final report on the feasibility of an integrated trust no later than 8 October 2015.
- 5.6 Appendix 1 shows a diagram of the proposed joint approach.

6 IMPLICATIONS

- 6.1 The establishment of a culture trust may now be delayed beyond the previously assumed go live date of 31 October 2015. Any temporary budgetary impact of this delay, is a phasing issue which will be addressed within the council's revenue monitoring process

7 RISKS AND MITIGATIONS

- 7.1 Risks associated with an integrated trust would be examined as part of the next steps.

8 IMPLICATIONS

8.1 Financial

Any cost implications are already incorporated throughout this report.

8.2 Equalities

A full equalities impact assessment was undertaken for the February 2014 report. It was revised in light of the recommendations in this report and has not identified any significant equalities issues and none that cannot be addressed through a robust SLA between the Council and Trust.

8.3 Acting Sustainably

Acting Sustainably. The purpose of this investigation is to produce services that can be made resilient and sustainable.

8.4 Carbon Management

Cultural Services manage a significant proportion of the Council's operational facilities (in 2008, Cultural Services managed 10% of the total Council estate; 10% of the value, 8.6% of the number of assets and 10.8% of the gross floor area). Consideration will be given to how the carbon footprint of the Council might be reduced by collocation of services in a Trust.

8.5 Rural Proofing

Sustaining the rural reach of services has been a key consideration in the options appraisal. A rural proofing assessment was undertaken for the February report. There is nothing in the content or recommendations of this report to change the view that the rural reach of services is better protected by transferring services to a Trust.

8.6 Changes to Scheme of Administration or Scheme of Delegation

Changes to the Scheme of Administration or Scheme of Delegation. The Council's scheme of administration and delegation will require amendment when a Trust is operational.

9 CONSULTATION

- 9.1 Given the timing of the decision by BSLT on 9th February, normal consultation has not been completed yet. The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, and the Clerk to the Council will be consulted. Should they have any comments these will be reported to Council.

Approved by

**Rob Dickson
Corporate Transformation
and Services Director**

Signature

Author(s)

Name	Designation and Contact Number
Stephen Roy	Project Manager 01835 824000

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Cultural Services Team can also give information on other language translations as well as providing additional copies.

Contact Stephen Roy, Project Manager, Scottish Borders Council, Council Headquarters, Newtown St Boswells, TD6 0SA, telephone 01835 824000.

APPENDIX 1 : APPROACH TO DIALOGUE & JOINT WORK WITH BSLT

