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## **Integrated Culture and Sport Trust Feasibility**

**Report by Corporate Transformation and Services Director**

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**Scottish Borders Council**

**25th June 2015**

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### **1 PURPOSE AND SUMMARY**

- 1.1 **This report informs Council of the progress of dialogue with Borders Sport and Leisure Trust (BSLT) on the feasibility of an Integrated Culture and Sport Trust and reports on the next steps.**
- 1.2 Council considered a report on 19 February 2015 on the Culture Trust, where an approach to joint working with BSLT to consider an Integrated Culture and Sport Trust was agreed including the terms of reference for the work. An update report was requested no later than June 2015.
- 1.3 A Joint Officer Working Group has been formed and has met regularly. Positive dialogue has taken place and work is progressing well towards producing a feasibility report to Council in October.
- 1.4 A Reference Group made up of Elected Members and BSLT Trustees has been formed and is meeting monthly to review proposals made by the Joint Officer Working Group.

### **2 RECOMMENDATIONS**

- 2.1 **I recommend that Council notes the progress made in dialogue on an Integrated Culture and Sport Trust**

### **3 BACKGROUND**

- 3.1 On 20 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 On 19 February 2015 Council agreed the terms of reference for joint working with BSLT to consider an Integrated Culture and Sport Trust. This included the setting up of a Joint Officer Working Group to carry out the feasibility exercise and a Reference Group consisting of a small group of Elected Members and BSLT Trustees to provide feedback on proposals. An update report was requested no later than June 2015 in advance of a final report on feasibility in October 2015.

### **4 BENEFITS OF INTEGRATION**

- 4.1 Managers from SBC and BSLT took part in a workshop to consider the potential benefits of integration and identified the benefits listed below. Available evidence in support of these benefits will be gathered and presented in the feasibility report in October.
- a) Opportunities for cross-selling / cross-marketing to a bigger audience to increase participation in Sport and Culture
  - b) Opportunity to co-ordinate service offerings avoiding direct competition between sport and culture and making the best use of facilities
  - c) Allowing Sport and Culture to reach each other's hard to reach groups, e.g.
    - i. Older people resistant to visiting a leisure centre may be more likely to visit a community centre to participate in activity
    - ii. Younger people who are hard for Cultural Services to reach (16-35 age group) could be reached through the link with Sport
  - d) Could facilitate better programming of activities in our localities and across the region ensuring space is used in a co-ordinated way
  - e) Collaborative and complimentary development of the School holiday activity programmes for the benefit of participants of both sport and cultural activities
  - f) Develop a joint Leadership Programme for youths and young adults. Positive discussions have taken place with BSLT and SBC staff on this.
  - g) Could assist in the attainment of local and national strategic health outcomes for both mental and physical well-being. Positive discussions have been held with the Health Improvement Team on this.
  - h) New volunteer recruitment areas to discover and expand.
  - i) Ability to deliver a wider range of holiday activity programmes involving both Sport and Culture.
  - j) Can create a one stop shop that is simpler for the customer.
  - k) Opening up of networks/contacts to both Sport and Culture.
  - l) Re-generation opportunities to make better use of property estate.
  - m) Co-location opportunities
  - n) Shared funding applications and the development of a shared expertise in funding applications.

- 4.2 The Council approved a Corporate Plan in April 2013, with 8 priorities, and this supports the Scottish Borders Community Planning Partnership (CPP) Single Outcome Agreement (signed in September 2013). Cultural Services and Borders Sport and Leisure make a huge contribution to the Scottish Borders and therefore support the priorities of both SBC and the CPP. Below is shown how an integrated trust could align with these priorities.
- 4.3 Corporate Plan Priority 1 (Encourage sustainable economic growth)  
The rich cultural assets that we have in the Scottish Borders already contribute significantly to the economy of the Scottish Borders (a key priority for the Community Planning Partnership). With improved connectivity through the Borders Railway and the integration of public transport, there is huge scope to widen out audiences for both sporting and cultural events/attractions. By integrating both the sporting and the cultural calendars of the Borders more closely, the region becomes a very attractive proposition for those living within the Edinburgh city region, as well as visitors from the north of England. Currently these two elements are not that well linked from a "tourism offer" point of view
- 4.4 Corporate Plan Priority 2 (attainment and achievement)  
With a focus now on inclusion, our Children and Young People's service is keen to ensure that all pupils get as wide a range of opportunities as possible alongside their formal education. The cultural assets and the sporting opportunities offered within the region provide for these opportunities, enriching the lives of our young people and contributing to reducing inequalities (a key priority for the CPP)
- 4.5 Corporate Plan Priority 3 (high quality support, care and protection)  
A key priority for the Community Planning Partnership is to reduce inequalities in health and wellbeing, improving outcomes for early years, children and young people, with a focus on those living in areas of greater deprivation. The development of an integrated trust model would continue/safeguard the provision and enable our communities to live in good health for longer and enjoy active and fulfilling lives.
- 4.6 Corporate Plan Priority 4 (building community capacity)  
Both culture and sport are a key part of communities across the Borders, and the development of an integrated trust model helps us to build capacity within communities, empowering them to take ownership of assets and make decision about the things that affect them (a key element of the forthcoming Community Empowerment Bill)
- 4.7 Corporate Plan Priority 8 (excellent accessible public services)  
Through an integrated trust model, access to services and facilities could be greatly enhanced and customers shared between the two areas. With the opportunity to attract additional funding, and explore alternative ways of delivering more traditional services e.g. libraries, the trust can support fully the reform of our future services.

## **5 PROGRESS ON JOINT WORK**

### **5.1 Overall progress**

The time taken to establish the terms of reference and how the work would be managed between the Joint Officer Working Group and Reference Group with BSLT took longer than initially expected. Now that these have been agreed the feasibility work is progressing well and in a positive manner.

## 5.2 Procurement Issues / Company Ownership

The Joint Officer Working Group and Reference Group are in the process of examining how best to create an Integrated Trust while retaining the BSLT company as the basis of the new organisation. A range of options are currently being examined and a recommendation on the most effective governance model will be made in the feasibility report.

## 5.3 Shared vision for an Integrated Trust

This important work will show whether or not there is a strong shared vision for an Integrated Trust. Work is in progress on this and will be reported on in the final feasibility report in October.

## 5.4 Lessons learned from other Trusts

The feedback we have gathered so far from other Trusts indicates that they have a very strong partnership relationship with their respective Councils, whilst still having sufficient independence to manage their own operation.

We have also received feedback on the increased focus that being part of a smaller organisation can bring to both Culture and Sport.

Work is continuing to learn lessons from other Trust's experience.

## 5.5 Risks and Issues around Integration

The dis-benefits of Integration are mostly risks that will be quantified and mitigation measures identified for the feasibility report. Measures will need to be identified to avoid the risk of:-

- a) A focus on either Culture or Sport being diluted.
- b) Not getting the right skillset amongst Trustees.
- c) Issues arising around a merger of services that are "free" and "paid for".
- d) Existing channels within SBC being compromised by moving Culture out of the Council.

## 5.6 Business Case

Work is progressing on the Business Case. This will describe the business reason for integration allowing BSLT and SBC to judge whether integration should proceed. The Business Case will also include the benefits of integration, dis-benefits of integration, a financial business case for integration along with the issues and risks of integration.

## 5.7 Property

Meetings are underway to discuss options for managing property.

This is a major area of the feasibility study and will be a key element of the final feasibility report in October.

## 5.8 Support Services

For each support service area we are looking at the high level options of how these services could be provided. We are looking at whether the service could be delivered by enhancing the existing BSLT support service model, whether SBC should be contracted to provide the service, or whether a blended approach would be more appropriate. The pros and cons for each option along with issues and risks will be examined for each main support service and a recommendation given.

## 5.9 Scope of an Integrated Trust

Currently all existing services are in scope for an Integrated Trust. Scope will continue to be discussed as part of the feasibility exercise and will form part of the feasibility report in October.

#### 5.10 Outcomes/priorities for an Integrated Trust

Planned to be discussed and included in the feasibility report in October.

#### 5.11 Data Sharing / Information Governance

This is important as being able to market and transact with the wider customer base of an Integrated Trust is crucial.

In initial discussions there do not appear to be any legal barriers to data sharing within the Integrated Trust. This will be investigated in more depth and will form part of the feasibility report in October.

#### 5.12 Communication Plan

A communication strategy has been produced by the Joint Officer Working Group for the feasibility study to ensure stakeholders, staff of both organisations and the public are communicated to effectively.

If integration was to go ahead a revised communication strategy would be produced.

### **6 NEXT STEPS**

6.1 The plans for the next three to four months are:-

- a) continue analysis on the areas in scope of the feasibility study jointly with BSLT.
- b) test proposed areas of the feasibility study with the Reference Group.
- c) produce a feasibility report that satisfies the terms of reference laid out by SBC and BSLT.

### **7 IMPLICATIONS**

7.1 This is purely an update report and therefore there are no implications.

### **8 RISKS AND MITIGATIONS**

8.1 Risks associated with an integrated trust are being examined as part of the joint work and have been summarised above.

### **9 IMPLICATIONS**

#### **9.1 Financial**

The project is looking at the financial implications of creating an integrated trust and these will be included in the feasibility report in October. This work includes but is not restricted to:-

- a) VAT implications of integration
- b) Capital funding arrangements
- c) Property support and maintenance costs
- d) Pension implications of integration including taking the advice of an actuary
- e) Recommended financial support arrangements
- f) Indicative management fee arrangements for an integrated trust
- g) Any additional staffing costs as a result of integration

#### **9.2 Equalities**

A full equalities impact assessment was undertaken for the February 2014 report. It was revised in light of the recommendations in the February 2015 report and has not identified any significant equalities issues and none that cannot be addressed through a robust SLA between the Council and Trust. A new equalities impact assessment will be undertaken before the report to Council in October.

### 9.3 **Acting Sustainably**

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

### 9.4 **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.

### 9.5 **Rural Proofing**

A rural proofing assessment was undertaken for the February 2014 report. There is nothing in the content of this report to change the view that the rural reach of services is better protected by transferring services to a Trust. Another rural proofing assessment will be completed before the report to Council in October.

### 9.6 **Changes to Scheme of Administration or Scheme of Delegation**

The Council's scheme of administration and delegation will require amendment when a Trust is operational.

## **10 CONSULTATION**

- 10.1 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 have been consulted and their comments have been incorporated into the final report.

### **Approved by**

**Rob Dickson**  
**Corporate Transformation**  
**and Services Director**

**Signature .....**

### **Author(s)**

<b>Name</b>	<b>Designation and Contact Number</b>
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.