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**Performance Management Framework for the Integrated Sport and Culture Trust**

**Report by Corporate Transformation and Services Director**

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**Executive Committee**

**8 March 2016**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This report proposes a Performance Management Framework for the integrated Sport and Culture Trust. This will allow SBC's Executive Committee to oversee the work of the integrated trust and ensure that the required outcomes are being achieved.**
- 1.2 On 7 October 2015, Scottish Borders Council agreed to the formation of an integrated Sport and Culture Trust (referred to as the Trust) and that the necessary work be done to facilitate the successful transfer to the Trust of the agreed services, facilities and staff with an anticipated go-live date of 1 April 2016.
- 1.3 As part of the transfer to Trust, it was recommended that a Performance Management Framework (PMF) be developed and brought back to the Executive Committee for approval in March 2016 and that the Executive Committee then receives regular performance reports thereafter.
- 1.4 Appendix 1 presents a draft PMF that has been developed in conjunction with Cultural Services, Borders Sport and Leisure Trust (BSLT) and the Scottish Borders Council Member Officer Working Group, allowing for regular performance monitoring and oversight against agreed outcomes, for both Elected Members and Council Officers.
- 1.5 As part of a wider Corporate Transformation Programme, SBC is looking to do things differently to ensure that customers are not affected by the budget cuts it faces in the future. Service delivery across a range of areas is currently being reviewed and Trust models are one important way of developing more cost effective and sustainable services for the future.

**2 RECOMMENDATIONS**

- 2.1 **I recommend that the Executive Committee:**
  - (a) **Approves the framework presented at Appendix 1;**
  - (b) **Agrees to accept performance reports from the Trust twice yearly; and**
  - (c) **Agrees that the two Executive Members (specified in Para 4.6) participate in the Member-Trustee Liaison Group.**

### 3 BACKGROUND

- 3.1 On 7 October 2015, Scottish Borders Council agreed to the formation of an integrated Sport and Culture Trust (the Trust). It agreed that the Chief Executive, Corporate Transformation & Services Director and Chief Financial Officer in consultation with the Council Leader, the Deputy Leaders and Executive Member for Culture & Sport be authorised to work with BSLT to complete all necessary due diligence processes and develop the necessary agreements to facilitate the successful transfer to the Trust of the agreed services, facilities and staff with an anticipated go-live date of 1 April 2016.
- 3.2 In order to ensure that this date is met, a number of work streams have been progressing, one of which is around performance management. The output of this work stream is a Performance Management Framework that will ensure SBC can monitor the progress the Trust is making towards the achievement of a set of agreed outcomes. The Performance Management Framework will be an important part of the Service Provision Agreement (contract) with the Trust, providing SBC with the assurance that robust systems are in place to monitor performance, focus on continuous improvement and achieve the best possible outcomes for people in the Scottish Borders.

### 4 DEVELOPMENT OF THE PERFORMANCE MANAGEMENT FRAMEWORK

- 4.1 Effective performance management is critical to the success of any organisation, including local authorities and those with whom it contracts. It provides a framework to achieve aims/objectives and promotes the continuous improvement of services provided to the public, including services provided by a trust or other body. In the Accounts Commission's series of reports "How Councils work" (2011), it states that while councils can choose who is responsible for the delivery of services (e.g. in-house, arms-length organisation, trust, etc.), councils remain accountable for how public money is spent and the quality of services delivered.
- 4.2 Appropriate control of an independent organisation such as the Trust, delivering services on SBC's behalf, is best managed through a robust partnership agreement, a strong Performance Management Framework, regular performance reporting and oversight against agreed outcomes. This ensures that the Trust is given sufficient latitude to run its business appropriately and maintain its independence which is a requirement for continued charitable status with the Office of the Scottish Charity Regulator (OSCR) whilst also allowing the Trust to be held to account by the Council for the services it is contracted to deliver.
- 4.3 The Performance Management Framework (PMF) presented at Appendix 1 presents the strategic context for the work of the Trust, both from the perspective of sport and culture and proposes a set of six outcomes that SBC requires the Trust to work towards. These are:
  - (a) Improved **mental and physical health and wellbeing** for people of all ages through participation with the Trust, with a focus on inclusion;
  - (b) Enhanced **learning opportunities**, training and experiences through participation with the Trust, with a particular focus on reducing inequalities;

- (c) Increased **economic benefits** to the Scottish Borders through high quality sport and cultural services and events, and support to creative micro-businesses and organisations;
  - (d) **Enhanced partnerships, pathways and access** to a wide range of services and activities within facilities and communities (including structures for talent development);
  - (e) **Stronger communities** through involvement in service planning, delivery and participation;
  - (f) Increasingly **effective operations** and creative approaches to income maximisation across the Trust whilst maintaining appropriate quality and standards.
- 4.4 The PMF also presents the monitoring and reporting requirements which include:
- (a) Quarterly performance reporting to the Integrated Trust's Board;
  - (b) Quarterly performance reporting to a Joint Officer Liaison Group (senior officers from SBC/Trust) which will review:
    - i) business plans, key strategies, Active Schools, and general performance information, and assurance processes (e.g. around self-assessment);
  - (c) Twice yearly reporting to CMT and Executive Committee to include:
    - i) High level outcomes measures
    - ii) Case studies
    - iii) Feedback and dialogue
- Full details of requirements are provided in Appendix 1.
- 4.5 In addition to the regular meetings and reporting outlined above, it is proposed that a Member-Trustee Liaison Group meets three times a year to discuss strategic direction, future priorities and commissioning, as well as raising any concerns about service delivery and/or the partnership.
- 4.6 It is recommended that the Membership, to be specified in the Service Provision Agreement, includes the Executive Member for Culture, Sport, Youth and Communities and the Executive Member for HR and Corporate Performance. In addition would be the Chairman of the Trust, one other Trustee, the Trust's CEO, the SBC Director in charge of Culture and Sport (currently Corporate Transformation and Services Director) and the SBC Director Children and Young People. This group will provide an opportunity for individuals in their roles as the portfolio holders to engage with the Trust on Culture/Sport matters outwith Executive and out with the Trust board.
- 4.7 Working with SBC's Corporate Performance team, Trust performance reports will form part of the regular performance reporting to SBC's Executive Committee under each of the Council's Corporate Priorities, namely Priority 8 (Ensuring excellent, adaptable, collaborative and accessible public services) and will also help demonstrate progress against a number of other priorities in relation to young people (and inclusion), older people and communities.

## 5 IMPLICATIONS

### 5.1 Financial

There are no costs attached to any of the recommendations contained in this report.

## 5.2 Risk and Mitigations

- (a) While SBC can choose who is responsible for the delivery of services (e.g. in-house, arms-length organisation, trust, etc.), it remains accountable for how public money is spent and the quality of services delivered. Although performance management arrangements were specified within the previous contract with BSLT (2012), they were weak and not sufficiently adhered to. This was recognised by SBC's Internal Audit Section in its report dated 16 September 2014, which included recommendations around the development of more robust monitoring and reporting.
- (b) There is a risk that if these weaknesses and recommendations are not addressed, SBC will not be able to demonstrate accountability, or monitor the progress that the Trust is making in working towards the agreed outcomes.
- (c) The revised Service Provision Agreement and the PMF proposed at Appendix 1 (and included as a schedule to Service Provision Agreement) will ensure that this risk is mitigated. It will also ensure that SBC's requirement to report publicly is covered (a statutory duty placed on SBC under the Local Government Act 1992, specifically in relation to the publication of performance information).

## 5.3 Equalities

- (a) As part of the Service Provision Agreement, and to fulfil its duties under the Equality Act 2010, SBC will require to review the Trust's Equality Policy and to receive annual employee monitoring reports, ensuring that the diversity that exists within Scottish Borders communities is reflected in the Trust's workforce.
- (b) SBC will assist the Trust, in years 2 and 3 after transfer, to expand this monitoring to include reporting on accessibility, staff training and on monitoring the breakdown of service user characteristics (at least by age, gender and disability). This equalities reporting will form part of regular reporting to Executive Committee and can then be used by SBC when preparing its Equalities Mainstreaming report (required of public bodies under the Equality Duty).

## 5.4 Acting Sustainably

The economic, social and environmental impacts of the business of the Trust will more effectively be monitored and assessed through the adoption of the PMF.

## 5.5 Carbon Management

There are no effects on carbon emissions.

## 5.6 Rural Proofing

N/A.

## 5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made.

## 6 CONSULTATION

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

- 6.2 The Depute Chief Executive People, the Corporate Transformation Services Director, the Director of Public Health, Chief Officer Health & Social Care Integration and the Service Director Children & Young People have also been consulted and any comments received have been incorporated into the final report.

**Approved by**

**Rob Dickson**

**Corporate Transformation and Services Director**

**Signature .....**

**Author(s)**

Name	Designation and Contact Number
Sarah Watters	Corporate Performance and Information Manager (Tel: 01835 826542)

**Background Papers:** Scottish Borders Council Performance Management Framework, Revised Edition with Updates, October 2015

**Previous Minute Reference:** Scottish Borders Council, 7 October 2015

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

Contact us at Sarah Watters, Scottish Borders Council Headquarters, Newtown St Boswells, Melrose, [swatters@scotborders.gov.uk](mailto:swatters@scotborders.gov.uk)