



## REPORT TO COMMUNITIES COMMITTEE – 5 JULY 2018

### DEVELOPING THE CULTURE & SPORT BUSINESS UNIT - UPDATE

#### 1 Recommendations

**The Communities Committee is recommended to:**

- 1.1 Consider the key area update outlined below; and**
- 1.2 Provide comments and guidance for the Culture & Sport Sub-committee on the matters in this report.**

#### 2 Background / Discussion

- 2.1 At its meeting of 26<sup>th</sup> April 2018, Full Council agreed to establish a Culture & Sport Business Unit, (CSBU) and delegated authority to the Communities Committee to oversee the CSBU and agreed that a new Sub-Committee with external membership be established. Appointments to the Sub-Committee are dealt with in a separate report. The Business Unit, as agreed by Council, and supported by elected members and the Chief Executive, will be a bold and ambitious pilot for potential new ways of working in the Council as a whole; specifically by seeking to achieve an operating context akin to an Arms Length External Organisation (ALEO) to maximise positive outcomes for communities within the most effective financial context.
- 2.2 Committee also agreed a timeline which anticipates the CSBU would be established with a 'Go Live' date of December 1, 2018 with a review period after one year. This initial timeline recognises that the scope and shape of the new business unit is evolving and development of this is ongoing. The timeline is being kept under review ensuring timely progress whilst maintaining appropriate due diligence. This report provides an update on work to date, and next steps.

#### Establishing the sub-committee

- 2.3 A public recruitment period was held, with applications considered by an appointments panel, along with individuals who had previously expressed an interest in working with the Council as part of the trust.
- 2.4 When the membership of the sub-committee have been appointed, officers will liaise with members and the sub-committee chair to establish an initial programme of meetings up to and including the 'Go Live' date. In the initial stages there is a significant amount of development required around the detail of the CSBU. Committee's decision to create a Sub-committee was in part recognising the value of bringing in to the development and leadership of the unit a new focus, a new way of working and external members with different experiences and perspectives. As well as undertaking formal activities, there is benefit in supporting the sub-committee in trying out new ways of working,

and in the relationships between members, requiring a significant amount of investment in “induction” activities.

- 2.5 To support the exceptional challenge of meeting the timeline it is anticipated that induction activities and meetings will be required during the recess period, with several further meetings prior to December 1<sup>st</sup>, 2018. It should also be noted that the need to consider any financial implications may necessitate some changes to timelines and agenda items. Whilst agenda’s will be agreed by the chair and vice chair a draft schedule of items and activities is as follows:

Timescale	Possible agenda items and activities
July / early August	<ul style="list-style-type: none"> <li>• Sub-committee member training / induction; ways of working</li> <li>• Development project plan</li> <li>• Introductory discussion - Business Plan process, including marketing plan</li> <li>• Introductory discussion - Service Strategies – early discussion (Libraries &amp; Sports)</li> </ul>
Late August	<ul style="list-style-type: none"> <li>• Draft Pitch Strategy</li> <li>• Facility Strategy</li> <li>• Service Level Agreements between the BCSU and Business Support services.</li> <li>• Future Governance requirements</li> <li>• Fundraising Vehicle</li> <li>• “Benefits Analysis” to support the rigorous review of the pilot</li> <li>• Preparing for Communities Committee</li> </ul>
September	<ul style="list-style-type: none"> <li>• Culture change considerations</li> <li>• Draft Business Plan</li> <li>• Aberdeenshire Culture &amp; Sport ‘Charter’ –</li> <li>• Marketing and Branding</li> <li>• ‘Go Live’ publicity.</li> <li>• Libraries &amp; Sports draft policy consideration</li> </ul>
October	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Building the Best Library Service</li> <li>• Workshop on funding development aspirations.</li> <li>• Preparing for Communities Committee</li> </ul>
November	<ul style="list-style-type: none"> <li>• Implementation work, following Communities Committee decisions.</li> </ul>

- 2.6 There is some initial thinking that the work of the Sub-committee might be most effective if ‘working’ sub-groups were established, with particular leads. Some suggestions are noted below, however the views of the committee would be particularly helpful in this area.
- Policy & Resources
  - Customers, Communications, Marketing & Branding
  - Commercial and retail development
  - Inspiring and supporting staff

Sub-Committee Induction and Training

- 2.7 To ensure all members are supported to best contribute their unique skills and experience to this new pilot, an induction programme has been developed which will consist of workshops covering the following areas:

Area	Officer dept delivering
Legal Responsibilities/terms of reference/Procurement/Code of Conduct	Legal & Governance
Council Financial Regulations	Finance Service
Roles and Responsibilities of ACS members	HR and OD / Legal & Governance
The Strategic ambition – the direction of travel	Chair & vice-chair Communities Committee, Business Unit Chief Officer, senior managers
Getting to know members and senior officers – skillsets, experiences, aspirations; Getting to know the Council	Change Team
Different ways of working	Chair & vice-chair Communities Committee, chief officer, senior managers
Getting to know the Service	Chief Officer, senior managers

- 2.8 Supporting information materials are being prepared for sharing with members. The above scheduled is anticipated to require two 2-3 hour workshops to manage the amount of information shared, however the content, format and timings will be agreed with the sub-committee chair and vice-chair.

Supporting the development process

- 2.9 In recognition of the challenging timeframe the corporate Change Management Team have been asked to support the process of internal engagement and project planning for the delivery of the Business Unit.
- 2.10 The Change Team led an officer workshop for Chief Officers and Service Managers from Culture and Sport (C&S) and from Business Services with the objective of gaining a shared understanding across the Council of the unit, including Full Council’s direction to establish an operating context as close to a trust as possible, excluding any staff transfer or change to core infrastructure. The workshop was also designed to help map the way forward for adding detail to the new unit.
- 2.11 The Change team are also in the process of developing a project plan and timescale. The Change Team have proposed a new project management structure.

Service Level Agreements

- 2.12 Mindful of the direction from Full Council to seek to achieve a positive operational context as close to an ALEO as possible, there will be significant benefit from reviewing the business support context in which the CSBU

operates: including Finance; Legal; Procurement; HR and OD; ICT; Property; Communications and Marketing.

- 2.13 To date there have been discussions between directors, three discussions at the Business Services Leadership Team and the workshop noted at 2.10. These discussions have contextualised the CSBU pilot with the potential future changes to school leadership and management. There is clearly a need to achieve an optimum solution across these areas and the core business services, working within increasingly challenging financial constraints.
- 2.14 Officers are working on the premise that the best way forward will be clear service standards and resource discussions, captured in individual Service Level Agreements (SLA). As a first step, a workshop with all the managers within C&S was held to establish the kind of operational changes which would echo the levels of flexibility and autonomy, and the increased accountability and delegated authority for the Chief Officer, experienced with an ALEO context.
- 2.15 Whilst C&S officers are reviewing with colleagues in ALEOs what best practice in each of these areas looks like, it is anticipated that this will be an area where the focus and expertise of the sub-committee will be of particular benefit. Communities Committee's views in general would be useful in guiding the Sub-committee's consideration.

#### Aberdeenshire Culture & Sport - Charter

- 2.16 The SLA process noted above will resolve the concrete and transactional changes required to establish the pilot unit. Equally important is the soft context – changes to relationships, and ways of working. It is proposed to capture these changes in a “Charter”. This will be the organisation's DNA, integral to identifying how the new unit will work for the maximum benefit of Aberdeenshire residents, and to provide the best test of change for service delivery across the Council. It will:
- Explore different ways of working between Communities Committee, the Sub-committee and officers in terms of appropriate autonomy, accountability and scrutiny; as well as establishing a positive and creative member-officer structure for supporting innovation and talent retention.
  - In a similar vein, explore the most effective positive context across council services which will support the best outcomes for the pilot.
  - Promote the closest positive engagement between local management and staff teams, elected members in wards, networks and area committees and their users and potential users -sharing information, ideas and experience openly to support local initiatives and responsive service delivery
  - Empower meaningfully local to make decisions, with consultation and engagement in the DNA of those decisions
- 2.17 It is expected that an initial draft of the charter will be considered by the sub-committee and further developed prior to consideration by the Communities Committee, being adopted prior to the ‘Go Live’ date.

#### Business Plan

- 2.18 The Culture and Sport Team, supported by Economic Development, have started developing a proportionate Year One Business Plan. The Business

Plan will be driven by outcomes in the two strategies agreed by Full Council but will add new focus to financial and commercial improvements. A key part of the Business Plan will be a marketing Plan, which is one of the main areas in which different approaches for different services may provide significant betterment.

- 2.19 A one-year pilot clearly has constraints on medium terms developments, but the initial Business Plan will be key in refocussing the way the Council, C&S staff and elected members think about proper exploitation of assets and investment and set the one at least for approaches to a more social entrepreneurial future.
- 2.20 The Business & Marketing Plan is a key area in which the new governance arrangement are anticipated to bring significant benefit. Members' advice will be especially useful in guiding the thinking of officers and Sub-committee members, prior to your further consideration in the autumn.

### Fundraising

- 2.21 Initial work has been started on the options for different fundraising vehicles, and the different focus, and objectives for it. This is an area where the specific expertise and focus of the Sub-committee is likely to be particularly beneficial.
- 2.22 The Head of Finance and Monitoring Officer have been consulted in the preparation of this report and have no comments to make.

### **3 Scheme of Governance**

- 3.1 The Committee is able to consider this item in terms of Section B.10.2.2 of the List of Committee Powers in Part 2A of the Scheme of Governance.

### **4 Implications and Risk**

- 4.1 An Equality Impact Assessment for the creation of a new business unit was submitted to full council on April 26, 2018, where agreement to progress was obtained. No new equality impact assessment for this report is required.
- 4.2 There are no staffing or financial implications implicit in this report at this stage.
- 4.3 The following Risks have been identified as relevant to this matter on a Corporate Level:  
Failure to identify the most effective ways of delivering culture and sport services may reduce the impact of the services and impair the capacity to deliver on the Council priority, "Encourage active lifestyles and promote well-being with a focus on obesity & mental health". It could also impair the capacity to achieve the priority of "A future Fit ECS Estate", the priority of "Support(ing) inclusive, Vibrant and Healthy Communities" as detailed on page 24 of the Strategic Risk Register pertaining to Education and Children's Services.

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