

ABERDEEN CITY COUNCIL

COMMITTEE	Education, Culture and Sport
DATE	20th September 2012
ACTING DIRECTOR	Charlie Penman
TITLE OF REPORT	Culture and Sport Sub Committee
REPORT NUMBER:	ECS/12/038

1. PURPOSE OF REPORT

The report sets out the proposed disestablishment of the Culture and Leisure Trust Monitoring Board, and the establishment of a Culture and Sport Sub Committee, explaining the benefits to the Council arising from these actions.

2. RECOMMENDATION(S)

It is recommended that Committee:

- (a) Approves the disestablishment of the Culture and Leisure Trust Monitoring Board
- (b) Approves the establishment of the Culture and Sport Sub Committee, according to the recommendations of Audit Scotland
- (c) Approves the remit of the Sub Committee as appended to the report
- (d) Agrees that the membership of this Sub Committee be sourced from the Education, Culture and Sport Committee on a 2 Labour, 1 SNP, 1 Liberal Democrat, 1 Conservative and 1 Independent Alliance basis
- (e) Appoints a member of the Education, Culture and Sport Committee as Convener of the new Culture and Sport Sub Committee
- (f) Agrees that the Committee will meet once per committee cycle, with the first meeting on Thursday 1st November.

3. FINANCIAL IMPLICATIONS

If the recommendations are approved, the Culture and Sport Sub Committee will provide a scrutiny role, being responsible to ensure the compliance of funded organisations with relevant legislation, including Following the Public Pound and State Aid. The formation of the Sub Committee will support the timely delivery of budget savings, through

the implementation of PBB option ECS C_10, the Root and Branch Review of Culture and Sport Commissioned Services.

There are no further financial implications.

4. OTHER IMPLICATIONS

As a Sub Committee of the parent Education, Culture and Sport Committee, the group will require the support of Committee Services.

5. BACKGROUND/MAIN ISSUES

5.1 Establishment of the Culture and Leisure Trust Monitoring Board

The remit of the Board was agreed by Council on 25th June 2008 and reads as follows:

'The Culture and Leisure Trust Monitoring Board has a responsibility to scrutinise, monitor and challenge Aberdeen Sports Village Ltd to ensure best value in relation to the expenditure of public money. The role of the board also extends to any other culture or sports trusts that are financed to provide leisure and cultural services. The board will request and review performance documents relating to financial management and business planning, monitor compliance with charity regulations and governance, strategic objectives, statutory and local performance indicators, risk management and health and safety, customer and staff satisfaction, environmental management and social inclusion. The Board will issue recommendations for service improvements via the Council's nominated board directors, and will scrutinise the implementation of these improvements. In the event of non compliance with Board recommendations, where these contravene the legal agreements in place with the independent company, the Board has the power to make recommendations to Aberdeen City Council on appropriate remedial action.'

The board met quarterly for two years, receiving reports on externally funded organisations and making onward recommendations for approval by the Education, Culture and Sport Committee.

It was agreed to suspend the work of the Board following the Priority Based budgeting option process, when Elected Members agreed to ECS C_10, the Root and Branch Review of Culture and Sports Services. It should be noted that the Board had no delegated decision making powers.

5.2 ECS C_10 Root and branch Review of Culture and Sports Services

In March 2011 Education, Culture and Sport agreed a full strategic review of each commissioned culture and sports services, as the preferred approach to making 20% savings of £1,889,000 on the budget for commissioned services of £9,458,919. The savings are to be delivered as part of the five year business plan.

The core objective of the proposal was to ensure the impact of commissioned services met the Councils stated priorities, ensuring more effective investment to support services to deliver a quality service aligned to the requirements of the City as a whole.

The timescale and reporting arrangements for progress on the review superseded the monitoring arrangements put in place by the Board, and it was agreed to suspend further meetings of the Board pending the outcomes and recommendations of the review of commissioned services.

5.3 Initial outcomes of the review

Work is progressing to plan with the review, and it is intended to present to Education, Culture and Sport at November committee detailed recommendations relating to each organisation. Some general recommendations are also emerging, including a need to:

- Rewrite a significant number of service agreements, to align them to new priorities, changing local government landscape and outcomes. The agreements will include clear standards of practice from commissioned bodies on issues including equalities and child protection
- Realign budget allocations in order to ensure organisations are clear in their objectives
- Provide 'face to face' scrutiny of the work of organisations by Elected members to understand the impact of their activity, to provide strategic direction, challenge, rigor and momentum
- Revise performance indicators relating to culture and sport to improve interpretation and understanding of the impact of the work of culture and sports bodies
- Provide oversight of the implementation of the recommendations of the budget option, to ensure progress is monitored in the period up to 2015/16.

There may be recommendations which result in significant change for some organisations. Elected members will require support during that period of change.

5.4 The current Commissioning agenda

In the period since the Culture and Leisure Monitoring Board was appointed, the sports services formerly managed by Aberdeen City Council transferred to an arms length trust, with budgets also transferring accordingly. As a result, a much larger proportion of the

Culture and Sport budget goes to externally commissioned services. These external arrangements require to be subject to regular review. Audit Scotland recommends an external governance and scrutiny committee. Therefore, there is an increasing role for a Sub Committee with decision making powers to take a strategic overview of these areas of work.

The 2011 Christie Commission report on the future delivery of Public services indicates that within public services

'Accountability for performance is often unclear and useful comparators unavailable due to a lack of data, weakening opportunities for improvement...there is a lack of transparency and representation of users experiences for full and effective accountability to the public'

5.5 Audit Scotland recommendations and the proposed remit of the Sub Committee

In June 2011 Audit Scotland produced a report 'Arms Length Organisations (ALEO's): are you getting it right?' The report recommends that Councils should:

'Set out the direction and the roles and responsibilities of partner agencies and how performance will be assessed, and to ensure that partnership arrangements, and their governance and accountability arrangements are fit for purpose and support effective decision making'

And

'Do more to monitor performance, including regular financial reporting and service outcomes'

Audit Scotland further recommended as good scrutiny practice:

- *'The Council has an external governance and scrutiny committee that is responsible for scrutinising the performance of the Council's ALEO's*
- *The Committee's scrutiny activity includes performance, risks, financial management, partnership working, contractual compliance and compliance with equalities obligations*
- *It also receives reports on themes common across the ALEO's including service interdependencies, complaints handling and customer care, audit reporting and absence management*
- *The Committee's ongoing work programme will examine the 'value added' from ALEO's and will review proposals for maintaining service performance and quality in the current financial conditions'*

This Committee report provides a remit for the Culture and Sport Sub Committee which integrates all Audit Scotland's recommendations and provides a robust response to these requirements.

The Culture and Sport Sub Committee will have a responsibility to monitor all aspects relating to Aberdeen City Council's external investment in culture and sport. This includes, but is not limited to,

monitoring the funding relationships with external culture and sports organisations supported by Aberdeen City Council.

The Sub Committee will request an annual programme of performance information relating to specific organisations which will apply scrutiny on a range of factors, including:

- Performance against the Council's strategic objectives
- Compliance with relevant legislation, audit and policy including 'Following the Public Pound'
- Organisational performance including areas of financial management, governance, business planning and service delivery
- Ensuring investment is providing best value

This information will be provided by Officers, via reports to the Sub Committee, in line with their ongoing responsibility to manage the authority's external investment in culture and sport

Where requested, the Sub Committee will provide a direct interface with particular funded organisations. Arms length organisations can be requested to attend committee meetings to provide additional content and discuss related performance information.

The Sub Committee will have the authority to approve and implement policy relating to the Councils approach to managing and administering its external investment in culture and sport. This includes, where appropriate, the authority to commission research in order to support the decision making process.

Furthermore, the Sub Committee will have delegated powers to approve individual culture, youth activity and sports grants to the value of £5,000.

The Sub Committee will ensure the best interests of the culture and sport sector are represented on the parent committee, Education, Culture and Sport, and where appropriate may refer items to this committee for consideration.

The focus of the Sub Committee will be on the Council's external investment. However, where deemed appropriate, other aspects relating to the culture and sport sectors within the city or within the Council may be put forward for consideration. Proposed items must be established through the Culture and Sport Commissioning Team or referred by the Education, Culture and Sport Committee.

5.6 Note for potential Sub Committee members – conflict of interest

As this Sub Committee will review all aspects of the Council's investment in culture and sport, prior to appointment to the sub Committee, Elected Members will be required to consider whether a conflict of interest may arise from any other roles linked to any external

body in receipt of Aberdeen City Council investment. This may include membership of the board of an external culture and sport body which could be directly engaged with the ongoing activity of the Sub Committee.

6. IMPACT

This report relates to 'Aberdeen – the Smarter City':

- We will improve access to and increase participation in arts and culture by providing opportunities for citizens and visitors to experience a broad range of high quality arts and cultural activities
- We aspire to be recognized as a City of Culture, a place of excellence for culture and arts by promoting Aberdeen as a cultural centre hosting high quality and diverse cultural events for the whole community and beyond
- We will promote and improve opportunities for physical activity and sport to enable Aberdeen's citizens to lead more active, healthier lives

The report relates to Outcomes 6, 13 and 15 in the Single Outcome Agreement : ' We live longer, healthier lives' : 'We take pride in a strong, fair and inclusive identity': 'Our public services are high quality, continually improving, efficient and responsive to local peoples needs'

The report is consistent with the City's Cultural Strategy, 'Vibrant Aberdeen' as the proposals seek to improve the City's cultural profile, and through working with partners, increase investment in cultural activity.

The report relates closely to the objectives of "Fit for the Future, the sport and physical activity strategy for Aberdeen City (2009-2015)". These objectives include:

- Promote and increase opportunities for participation in sport and physical activity for everyone in Aberdeen.
- Provide a comprehensive and high quality range of sports facilities in Aberdeen.
- Maximise social, educational, health and economic benefits of sport and physical activity in Aberdeen.

This report will be of interest to the public as evidence of the effective governance of culture and sport commissioned services.

7. BACKGROUND PAPERS

Root and Branch review of Commissioned Arts and Sports Service, Education, Culture and Sport Committee 24 March 2011

Remit of Culture and Leisure Trust Monitoring Board

Council, 25 June 2008

Remit of Culture and Leisure Trust Monitoring Board,
Culture and Leisure Trust Monitoring Board 2 July 2009

Arms Length Organisations (ALEO'S): are you getting it right?
Accounts Commission June 2011

Commission on the future delivery of public services
Dr Campbell Christie June 2011

8. REPORT AUTHOR DETAILS

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