



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

**Culture and Visitor Economy Overview
and Scrutiny Committee**

8 September 2021

Report of: Councillor Rosemary Trollope-Bellew, Cabinet Member for Culture and Visitor Economy



Arts, Culture and Events Service – Service Review and Staffing Restructure

This report reviews the proposed staffing restructure of the Arts, Culture and Events Service to realise immediate savings.

Report Author

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Corporate Priority:	Decision type:	Wards:
Healthy and Strong Communities	Administrative	All Wards

Reviewed by:	Nicola M ^c Coy-Brown, Director of Growth and Culture	23 August 2021
Approved by:	Karen Bradford, Chief Executive	27 August 2021
Signed off by:	Councillor Rosemary Trollope-Bellew, Cabinet Member for Culture and Visitor Economy	31 August 2021

Recommendations to the decision makers

1. That the Committee recommends a specific proposed staffing restructure for the Arts, Culture and Events Service to be presented to Cabinet for its further consideration.
2. That the Committee, over the next year, reviews the three centres (Bourne, Grantham and Stamford), with a view to determining a future operating model to enable the

Council to decide on the direction of the arts, culture and events service in terms of objectives, who to target and the development of key performance indicators.

- 3. For Officers to return to the Committee during the next year with more detail regarding the different ways the arts, culture and events services could be delivered in the future.**
- 4. At the appropriate time, Committee supports the preparation of an amended Arts and Culture Strategy to clarify exactly what it is the Council wishes to achieve.**

1 The Background to the Report

- 1.1 On 3 August 2021, at a special meeting of the Culture and Visitor Economy Overview and Scrutiny Committee, members were presented with a final copy of an independent review of the arts, culture and events service. Whilst receipt of the report was noted, and support gained for the review being presented to Cabinet for further consideration in September 2021, Members were largely concerned with examining the proposed future structure.
- 1.2 The arts, culture and events service has not been reviewed previously yet requires a subsidy of 11% of the Council's budget, with approximately £1 million spent on staffing. Whilst a highly prized service, spending of this level on a discretionary service, against a fragile financial position which requires the Council to make some immediate savings, it was prudent that a comprehensive review was undertaken by a trusted independent consultancy firm.
- 1.3 The council's three venues of the Bourne Corn Exchange, Grantham's Guildhall and Stamford Arts Centre were the subject of the review (**Appendix A**). Undertaken by Sport, Leisure and Culture Consultancy (SLC) for a fee of £9,600 for 13 days consultancy time. The service review focused on: a high-level review of the service, its strategic positioning, a financial assessment, and a detailed review of the staffing structure with a view to making efficiencies.
- 1.4 The Corporate Plan (2020-2023) highlights how the council will be taking a 'golden thread' approach to managing performance and delivering priorities. Meaning that every colleague should be able to understand the impact they are having on South Kesteven District Council achieving the vision, delivering priorities, and realising key actions. It was very clear from the observations and consultation, that venues saw themselves as independent. This was reflected in key Council policies, such as communications and personnel not being deployed within the service and deployed differently in each venue. Whilst tickets can be purchased at each venue, there is no active marketing between venues.
- 1.5 To achieve a cohesive service, a key short-term recommendation of the review was to carry out a staffing re-structure to include merging duplicated functions and utilisation of corporate central services. For example, HR policies, communications, marketing and cleaning services.
- 1.6 The Council needs to establish what it wants to achieve and deliver through cultural services which may be quite different from what is in place now. Therefore, the two proposed staffing structures will yield immediate efficiencies and create a service more aligned to the rest of South Kesteven District Council. The proposed structures are presented in **Appendix B** (which is exempt under paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972 (as amended) because they contain information relating to individuals or from which individuals could be identified).
- 1.7 The review is the start of the transformation process, not the complete solution. For example, there is a need to take the Council's Cultural Strategy (presented to Cabinet on 8 September 2020) to the next stage and develop a clear Strategic Plan for its Arts, Cultural and Events Services. The Committees involvement in the next stages will be vital in ensuring that the arts, cultural and events service delivers the priorities within an agreed subsidy level.

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 Feedback from issues raised by Committee, Cabinet and elected Members, as well as a volunteer at Stamford Arts Centre present during 3 August 2021 meeting, have since been considered to help officers understand what a reasonable staffing solution might be.
- 2.2 There were three further items which Members expressed an interest in during the August 2021 meeting which have been included as recommendations within this report:
- a) Reviewing the three centres (Bourne, Grantham and Stamford), to assist in determining a future operating model to enable the Council to decide what it wants from the arts, culture and events services in terms of objectives, who to target and the development of key performance indicators.
 - b) Supporting the preparation of an arts and culture strategic plan to clarify exactly what it is the Council wishes to achieve.
 - c) For Officers to return to Committee (during the next year) with more detail regarding the different ways the arts services could be delivered in the future.

Further work has been undertaken since the last meeting to determine the financial implications of those staff affected by the proposed new operating structure. This cost is included in Appendix B and will require specific funding allocated from the invest to save reserve in order to provide funding for the redundancy costs arising from the implementation of the new structure.

3 Available Options Considered

- 3.1 Continuing with existing subsidy levels is considered unsustainable and there is an urgent need to reduce service duplication. The review has highlighted the opportunity to support integrated and streamlined services and improved outcomes which will result in the efficient use of resources. Therefore, the 'do nothing' option has been discounted.
- 3.2 Two options are presented for Member review and comment, ahead of being presented to Cabinet for further consideration at its September 2021 meeting.

4 Preferred Option

- 4.1 Option two, is the preferred option. It is considered that this will provide the expected higher savings in staff costings, aligns with the future challenges of the Council, and will support the delivery of the Corporate Plan actions.

5 Reason for the Recommendations

- 5.1 To secure a recommendation from the Culture and Visitor Economy Overview and Scrutiny Committee to Cabinet about the undertaking of a staffing restructure, to include merging duplicated functions to result in a cohesive Arts, Culture and Events Service which utilises (where appropriate) corporate central services.

6 Next Steps – Communication and Implementation of the Decision

- 6.1 If the Culture and Visitor Economy Overview and Scrutiny Committee supports the recommendations, this will be reported to Cabinet for approval. An implementation programme would commence shortly thereafter.
- 6.2 The Council have already sought advice regarding the HR implications of the restructure and will be seeking external support to ensure that the job descriptions are updated and

reflect the Corporate Plan aspirations and that due processes are followed regarding the consultation with the service staff. A staff briefing was held on 6 August 2021 which included representatives from the Council's HR team and the Trade Unions, during which the illustrative timeline and processes were discussed.

6.3 A Communications plan will be drafted to reflect the timelines.

7 Financial Implications

7.1 The financial outlook for the Council is challenging and every opportunity should be taken to review how services are delivered and consider opportunities to reduce operating costs where necessary. The arts service is the biggest financial discretionary service and has remained as such for many years. Within the context of the financial outlook, it is appropriate to challenge and reduce the operating costs of all services.

7.2 The financial considerations where appropriate, are referenced throughout the service review. Option 2 identifies the highest on-going revenue saving once the implementation outlay has been recouped. This option confirms an annual saving of £265,814 to the staffing of the service (full year saving post- implementation). The cost of implementation can be met from the Council's Invest to save reserve which currently has £961k allocated to it. The payback will be approximately one year.

7.3 If the recommendations are approved, the budget for the Arts and Culture service will be reduced from 2022/2023. This saving will make a significant contribution towards reducing the operating costs of the Council required in the medium term.

Financial Implications reviewed by: Richard Wyles, Assistant Director of Finance and s151 Officer.

8 Legal and Governance Implications

8.1 The recommendations included in the service review will need to be considered and follow legal guidance for the staffing restructure, consultation is undertaken and ensure that governance followed. If formal advice is required on any legal aspects of the restructure specific advice can be obtained.

Legal Implications reviewed by: Graham Watts, Head of Democratic Services and Deputy Monitoring Officer

9 Equality and Safeguarding Implications

9.1 The proposed restructure has been developed and designed to enable the continuation of the arts, culture and events services, whilst also reducing revenue costs. It is recognised that amendments to the structure is likely to have an impact upon staff. The impact will be monitored through the completion of an Employee Equalities Impact Assessment (EQIA).

9.2 South Kesteven District Council recognises the importance of ensuring due consideration is given to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out duties. The Employee EQIA will be undertaken to understand the impacts on groups of staff over the period of the restructure implementation period. A separate service user EQIA will also be undertaken. Both will be used as baselines for any future decision making,

10 Risk and Mitigation

10.1 A risk register and project plan have been drafted for the review.

10.2 Several organisational and reputational risks have been identified in relation to the proposed restructure. The five high-level risks and mitigating actions are as follows:

Risk	Mitigation action
Low employee engagement and a drop in morale	Employee issues and concerns will be addressed appropriately
Productivity affected due to the inevitable disruption caused by a restructure	Transparent communications throughout will be managed and led
An erosion of trust can have a negative impact on turnover, engagement and the employer brand	A well-handled restructuring programme will be initiated
Restructuring goals not fully met	There will be clarity of what success looks like and how it will be measured. There will be a well thought out and realistic plan
Negative leaver sentiments	For those people leaving the Council, there will be defined and consistent processes.

10.3 A work programme will be set annually by the Cabinet Member for Culture and Visitor Economy and the Director of Growth and Culture. This will be shared with the Culture and Visitor Economy Overview and Scrutiny Committee to enable members to consider their roles and provide support as appropriate.

11 Community Safety Implications

11.1 It is considered that there are no impacts due to the content and consideration of this report.

12 How will the recommendations support South Kesteven District Council’s declaration of a climate emergency?

12.1 The proposed restructure will align staffing resources with the Corporate Plan. A key priority for the Council is a future sustainable environment. Therefore, going far beyond data collection and carbon reduction, the restructured service will embed climate action into the core of their operations – developing creative solutions, forging new partnerships, and sparking valuable conversations on sustainability with audiences.

13 Other Implications (where significant)

13.1 All contained in the background papers appended to this report.

14 Background Papers

14.1 *Arts, Culture and Events Service Review Update* - Report to Culture and Visitor Economy Overview and Scrutiny Committee, published on 3 August 2021, available online at: <http://moderngov.southkesteven.gov.uk/documents/s30545/Arts%20Culture%20and%20Events%20Service%20Review%20Update.pdf>

14.2 *Arts, Culture and Events Service Review* - published on 3 August 2021, available online at: <http://moderngov.southkesteven.gov.uk/documents/s30546/Appendix%201%20Arts%20Culture%20and%20Events%20Service%20Review.pdf>

- 14.3 *Cultural Strategy* - Report to Cabinet, published on 8 September 2020, available online at: <http://moderngov.southkesteven.gov.uk/documents/s27302/Report%20-%20Cultural%20Strategy.pdf>
- 14.4 *Draft Cultural Strategy 2020*, published 8 September 2020, available online at: <http://moderngov.southkesteven.gov.uk/documents/s27348/Appendix%201%20-%20draft%20cultural%20strategy.pdf>

15 Appendices

- 15.1 **Appendix A** – Arts, Culture and Events Service Review
- 15.2 **Appendix B** - Proposed staffing restructure (this is exempt under paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972 (as amended) because they contain information relating to individuals or from which individuals could be identified.

Report Timeline:	Date of Publication on Forward Plan (if required)	Choose Date
	Previously Considered by: Culture and Visitor Economy Overview and Scrutiny Committee	3 August 2021
	Final Decision date	14 September 2021