



Culture and Leisure Services in Local Government

Summary Report

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- 1.1 Scotland's public services are crucially important to the economic and social well being of the nation, but are under immense pressure. The need to reduce the UK budget deficit has brought substantial cuts in public funding across the UK, and local authorities are facing hard decisions about how to reduce spending while maintaining essential services.
- 1.2 At policy level, government has sought to protect spending in key areas such as health, while other areas of public service are seeking to make varying levels of budget savings. The position of culture and leisure services within this environment is undoubtedly challenging. There is little in the way of statutory protection for culture and leisure spending, and the level of strategic priority attached to these areas varies considerably across the local authority sector.
- 1.3 In a previous survey for VOCAL last year, we examined the levels of resources and priority for culture and leisure services and found a mixed picture. On the one hand, most Councils felt that both culture and sport were seen as important within their authority, even if there was evidence of some budget pressures, particularly in culture. However, many also felt that the uncertain future meant that the ways in which Councils deliver culture and sport would need to change.
- 1.4 That future, to a large extent, is now here, and rather than simply repeat last year's assessment, we have focussed this year on the ways in which Councils are seeking to manage budget cuts in culture and leisure services. In particular, the survey gathered information on:
 - the level of budget savings being sought;
 - areas of service provision being considered for reduction or removal (and why);
 - processes for considering options for savings;
 - possible impacts of the planned savings; and
 - alternative models of service delivery being considered.
- 1.5 The survey was hosted online and was promoted through VOCAL to all Councils in Scotland. In total, 17 Councils provided data, a response rate of just over 50%, considerably lower than that achieved in 2009.

- 1.6 The 2010 survey took place at a particularly challenging time for Scotland's local authorities. Although the scale of the likely reduction in public sector funding was not known, and spending priorities had not been agreed, the general mood was one of concern and uncertainty.
- 1.7 At the time of the survey, not all authorities had completed detailed financial planning for 2011/12, and even those that had still expected things to change once the budget settlements were agreed. These issues, combined with the fact that the response rate was lower than the 2009 survey, should be borne in mind when interpreting the findings.
- 1.8 These issues notwithstanding, a number of broad conclusions can be identified:
- Councils face an undeniably challenging future. Although culture and leisure services do not appear to be particularly well placed relative to other services, they are also not (yet) disproportionately affected everywhere;
 - however, the scale of the savings to be achieved are such that standard efficiency measures are unlikely to meet targets and other approaches will be required. The evidence suggests that staff reductions, service reduction and even discontinuation and rationalisation of property assets will all feature to a greater or lesser extent in most Councils over the next few years;
 - the ability of Councils to manage this process effectively will inevitably be variable. Those that take a proactive approach, plan early and thoroughly and engage politicians and communities will be most likely to succeed; and
 - there is considerable interest in alternative models of service delivery, with trusts at the very top of the list. However, in most cases, this work is still in the early stages. Other models for external delivery of culture and leisure services are further behind (than trusts) but are starting to emerge.
- 1.9 In all of this, it is crucial that authorities look to the longer term. The decisions made now will affect the delivery of services over the next 10 to 15 years, and there are real risks in taking too short term an approach.
- 1.10 In this respect, it is fundamentally important that Councils identify clearly their primary objectives and establish the outcomes that they are seeking to achieve. The SOAs have been the primary vehicle for this, and our 2009 study found that culture and sport's position within SOAs was variable, although improving. There is more work to do here. Both culture and sport can make an effective (and often cost-effective) contribution to health, learning, well being and community cohesion. In particular, culture and leisure

activities have a role in the early prevention of social issues and, as such, can reduce the need for services at a later stage – the role of physical activity in health prevention is an obvious example¹.

1.11 This argues for a more strategic approach to service design and delivery, and for strong strategic links from culture and leisure services into relevant areas such as health, education and social care. This kind of strategic commissioning model offers considerable promise, but depends both on the strength of these strategic links and the quality of the evidence for the contribution that culture and leisure can make.

1.12 Externalising services is also an opportunity, and below we offer some initial thoughts about some of the issues raised in the survey, and in the wider literature around these approaches:

- in seeking to externalise services, it is important to consider a range of options rather than simply rushing to do what others have done. At the moment, much of the talk is of trusts, but other options are available, including partnership with the third sector, strategic commissioning of services and cross-Council collaboration (although these are not mutually exclusive);
- recessions always offer opportunities, and for Councils this may be a good time to review the asset base and decommission those assets that are no longer fit for purpose or are in a state of disrepair. In any case this is important if considering external delivery models;
- trusts are an obvious opportunity to save money, at least in the short term, but there are important issues to consider:
 - political support is crucial and governance and constitutional issues are also key – Councillors on the boards of independent trusts can face issues with conflict of interest, and Councils may wish to ensure greater strategic alignment through Sole Member Trust models
 - the management task and organisational culture for a trust is different to that of a local authority and it is important both to ensure appropriate management capability and to keep staff on board during a time of significant change

¹ For further information, please see *Culture Delivers* (Scottish Government - <http://www.scotland.gov.uk/Publications/2008/12/22094149/0>) and *The Potential of Sport* (Sport Scotland - <http://www.sportscotland.org.uk/ChannelNavigation/Resources/TopicNavigation/Publications/The+Potential+of+Sport.htm>.) and the Scottish Government's Toolkit for Community Planning Partnerships (<http://www.scotland.gov.uk/Topics/ArtsCultureSport/arts/CulturalPolicy/workinggroup/CPToolkit>)

- scale is important – small trusts/partnerships lack the economies of scale that larger organisations offer, reducing the potential for savings and future income generation;
 - financial and legal risks must be considered in detail at an early stage in the process;
 - third sector delivery and community transfer are also appealing options but the capacity building role is critical. This may be a longer term strategy, but without the necessary support, the risk is that assets and services may suffer in this approach, at least if the capacity to manage them is not well enough established; and
 - cross-Council collaboration is becoming increasingly obvious, and there are precedents for this in areas such as Environmental Health and Trading Standards. Combining services with other Councils can reduce procurement, management and back office costs while maintaining service quality. This is not only an opportunity for authorities themselves - external delivery organisations such as Trusts may also be less territorially bound, and could also seek collaboration across authority areas. Of course, political issues will arise, but with commitment these should not be insurmountable barriers.
- 1.13 Finally, it is worth considering the role that VOCAL might play in all of this. There is a clear and ongoing need for a forum to share information and best practice and to allow Councils to learn from wider experience. To an extent, VOCAL already fulfils this function, but it should continue to do so. Indeed, VOCAL should be a hub for innovation in culture and leisure services, articulating and testing new models of delivery.
- 1.14 There may also be a more specific role to commission early stage and specialist input on external delivery models (for example the legal and HR issues around setting up trusts). The risk is that different authorities continue to commission discrete work on the very same issues. Of course, each authority will reach a stage at which specific advice will be needed, but there is a shared requirement at the more basic levels which could be co-ordinated centrally.
- 1.15 Finally, there is also an important role in maintaining an effective channel of communication at strategic level with national government and key national agencies such as Creative Scotland, Sport Scotland and Museums and Galleries Scotland. This includes continuing to advocate for culture and leisure's importance and wider role in delivering a whole range of outcomes. VOCAL is uniquely well placed to do this.