

MINUTES of the meeting of Overview and Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Tuesday 21 February 2012 at 2.00 pm

Present: Councillor A Seldon (Chairman)
Councillor JW Millar (Vice Chairman)

Councillors: AM Atkinson, PL Bettington, EMK Chave, MJK Cooper, PGH Cutter, EPJ Harvey, RC Hunt, TM James, Brig P Jones CBE, JLV Kenyon, R Preece and PJ Watts

In attendance: Councillor RB Hamilton
Officers In attendance: G Hughes, Director of Place and Communities; N Silver, Project Manager; S Coultas, Accountant; J Jones, Head of Governance & Deputy Monitoring Officer; P James, Democratic Services Officer.

70. APOLOGIES FOR ABSENCE

Apologies were received from Councillors: WLS Bowen; MAF Hubbard; P Rone; SJ Robertson and Mr P Sell.

71. NAMED SUBSTITUTES (IF ANY)

Councillor EMK Chave substituted for Councillor MAF Hubbard.

72. DECLARATIONS OF INTEREST

6. Management Options For Cultural Services.
Councillor AM Atkinson, Personal, As Council's representative on HALO.

6. Management Options For Cultural Services.
Councillor EMK Chave, Personal, As a member of the Arts Fund; Friends of Herefordshire Museum and Arts and Hereford Three Choirs Festival Committee..

6. Management Options For Cultural Services.
Councillor PJ Watts, Personal, As Council's representative on HALO.

6. Management Options For Cultural Services.
Councillor TM James, Personal, As a Regional Board Member of Arts Council England.

73. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

No suggestions were made.

74. QUESTIONS FROM THE PUBLIC

No questions were received.

75. MANAGEMENT OPTIONS FOR CULTURAL SERVICES

The Committee considered the management options for cultural services following a review of the service.

The Director of Place and Communities reported that on 15 December 2011 Cabinet had considered a report on options for the future management and delivery of a range of cultural services and Cabinet requested that the options be considered by this Committee. The services 'in scope' were largely non-statutory but were highly valued by the public and contributed to the health and economic wellbeing of the county. Many of the services had already been subject to budget reductions. He emphasised that the options sought to reduce management costs without reducing the level of delivery to the public.

The Financial Services representative provided a brief overview of the budget position for the services in scope and expanded upon appendix 2 to the Cabinet report.

Questioned on where budget reductions had been made the Committee were informed that these had been achieved through efficiency saving and unfilled staff posts across the services. Significant changes had been implemented to the Music Service which was now on track to achieve targeted budget reductions which would be shown in future reports.

The Chairman introduced Ms Jenny Peevers, Relationship Manager, Arts Council England. Ms Peevers gave an overview of the current climate and the outsourcing of services in relation to cultural services from the Arts Council England perspective. Herefordshire had a good reputation for partnership working and in securing funding streams. She reported that the Arts Council England were currently gathering evidence on how local authorities were strategically commissioning services. She considered it inappropriate to comment on Herefordshire's 'options' but cautioned against rushing into a new model until all the costs involved had been established and accurately analysed and prospective tenderers had been thoroughly researched.

The Chairman introduced Mr Stephen Brewster who provided a brief overview of cultural services from The Sports Partnership's point of view. He said that the number of sports related development programmes had been reduced due to national budget reductions and that Herefordshire was not unique in reviewing its management options. Surveys indicated that 49% of people in Herefordshire were not involved in sport or physical activity. However, the Active People Programme indicated that the County was better than many other areas in this respect. He highlighted some of the health and financial benefits to the County of keeping its citizens active. People were more likely to get involved if an attractive range of activities was provided in good facilities/resources.

The Committee noted that an increasing number of 'softer sports' e.g. tag rugby, were being offered to encourage people to re-engage in activities. It was also noted that while 49% were not involved in sport they may be physically active through their employment.

Councillor RJ Phillips, Cabinet Member – Enterprise & Culture, commented that many local authorities were in the same position of having to manage reduced budgets. He re-emphasised the Directors comment that this was not about reducing front line services but making savings through how the council manages the services and their management arrangements. This may involve doing things differently to improve access and budget options. He also acknowledged the important part the voluntary sector played in the provision of services.

The Project Director presented the agenda report and highlighted: the aims of the review; the individual services in the scope of the review, and the activity undertaken to date. In reviewing the services in scope a number of 'commonalities' by: process; core functions; specialism and association had been identified. An evaluation had been

undertaken of a number of potential 'delivery models' and these had been scored against outcomes important to the review. This had led to the three options as detailed in the report namely: Option One – Combined Services; Option Two – Customer Segmentation model; Option Three – Status quo with improvements. She also described the key advantages or disadvantages for each option. She highlighted that this was an inward facing review of management and therefore, while public comment had been invited, the main focus of consultation was with the people who would be most affected including, staff, unions and current providers.

It was confirmed that the 'services in scope' list contained all cultural services considered appropriate to be included in the review. The 'Positive Activities for Young People' service had been included but currently wasn't ready to go to market testing as they were conducting their own detailed consultation.

The Chairman reminded Members of the valuable contribution made by the voluntary sector to arts and sports in the county. In many instances they received no financial support via the Council and he suggested that no obstacles should be placed in their way arising from this review.

Debating the list of services in scope it was noted that some services may be more attractive to a prospective tenderer than others and care was needed in how they were packaged. The Cabinet Member acknowledged that some of the services were small and therefore a realistic view would be needed in how they were to be presented to ensure that they had a sustainable future. Responding to concerns about whether a service fitted a particular option e.g. the archives service, the Cabinet Member responded that depending on market interest a service could still be retained 'in-house.

Questioned on the titles applied when scoring the delivery options, used in Appendix 1 to the Cabinet report, and the titles of the three resultant options the Committee noted that the early titles had not set out to prejudge the outcome of the scoring. Further questioned on the scoring method it was acknowledged that it had been rather 'linear' and had produced close outcomes which now needed to be tested against the financial model.

Responding to concerns about splitting the public facing delivery from the back office functions, particularly if outsourced, the Committee were informed that it was not an uncommon model but further testing of the model would be undertaken.

While debating the three options comments were made about: the ability for the voluntary sector to take up opportunities in niche markets; the opportunity to disaggregate services to the voluntary sector and the ability to deliver change. The Committee were informed that 'soft market testing' was underway to get an early indication of how the market might react to the possible tendering options. How the anticipated start-up costs were to be managed was also discussed.

Responding to concerns about possibly stifling the provision currently provided by independent service providers, the Cabinet Member responded that, as reported earlier, there was a real opportunity for local authorities to promote leisure and well-being to the public and this could be seen as a business opportunity by independent providers.

Questioned on the savings expected to be made (£150,000) the Committee noted that due to the continuing financial challenges to local authority services, particularly the non-statutory ones, services needed to find different ways of operating or potentially they could cease to be provided. The intention from the review was not to cut or give the services to the private sector but to keep delivering and add value through a different management structure.

The county had a significant pool of volunteers helping to provide various arts or leisure services and questioned whether ways had been considered to sustain or further engage them in the provision of these service e.g. a share scheme or time in trust. The Committee were informed that this had not been explored as part of the review process but does already operate to some degree through friends of libraries and significant voluntary time given to steward Courtyard events.

A Member suggested that greater efforts be made to explore whether a cultural centre could be established in the City centre, thereby bringing together many of the public facing services. The Cabinet Member responded that he was in favour of such a centre but the Council had limited resources and the timescales were such that unless major improvements were made to the Archives Service (before 2015) the county would lose its collection.

RESOLVED: that

- a) **the Director for Places and Communities be advised that based on the information currently available to it the Committee considers that Option 2 (Customer Segmentation) be the favoured option with an added proviso that as the evaluation process continues safeguards are put in place to protect the valuable contributions made by the voluntary and entrepreneurial sectors.**
- b) **The Chairman of the Committee be informed in writing of the decision by the Director for Places and Communities.**

The meeting ended at 4.03 pm

CHAIRMAN