

AGENDA

Overview and Scrutiny Committee

Date: **Tuesday 21 February 2012**

Time: **2.00 pm**

Place: **The Council Chamber, Brockington, 35 Hafod Road,
Hereford**

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

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Agenda for the Meeting of the Overview and Scrutiny Committee

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Councillor PL Bettington
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Councillor P Rone
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AGENDA

Pages

- 1. APOLOGIES FOR ABSENCE**

To receive apologies for absence.
- 2. NAMED SUBSTITUTES (IF ANY)**

To receive details of any Member nominated to attend the meeting in place of a Member of the Committee.
- 3. DECLARATIONS OF INTEREST**

To receive any declarations of interest by Members in respect of items on the Agenda.
- 4. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY**

To consider suggestions from members of the public on issues the Committee could scrutinise in the future.

(There will be no discussion of the issue at the time when the matter is raised. Consideration will be given to whether it should form part of the Committee's work programme when compared with other competing priorities.)
- 5. QUESTIONS FROM THE PUBLIC**

To note questions received from the public and the items to which they relate.

*(Questions are welcomed for consideration at a Scrutiny Committee meeting so long as the question is directly related to an item listed on the agenda. If you have a question you would like to ask then please submit it **no later than two working days before the meeting** to the Committee Officer. This will help to ensure that an answer can be provided at the meeting).*
- 6. MANAGEMENT OPTIONS FOR CULTURAL SERVICES**

To explain the process of the review of Cultural Services to enable the Overview and Scrutiny Committee to consider the management options for cultural services.

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1. Identifying Areas for Scrutiny

At the meeting the Chairman will ask the members of the public present if they have any issues which they would like the Scrutiny Committee to investigate, however, there will be no discussion of the issue at the time when the matter is raised. Councillors will research the issue and consider whether it should form part of the Committee's work programme when compared with other competing priorities.

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MEETING:	OVERVIEW AND SCRUTINY
DATE:	21ST FEBRUARY 2012
TITLE OF REPORT:	OPTIONS FOR THE MANAGEMENT OF CULTURAL SERVICES
REPORT BY:	NATALIA SILVER, PROJECT DIRECTOR

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To explain the process of the review of Cultural Services to enable the Overview and Scrutiny Committee to consider the management options for cultural services.

Recommendation

THAT the Committee consider the management options and decide whether they wish to submit any views to Cabinet.

Key Points Summary

- The Cabinet report of 15th December 2011 entitled “Management Options for Cultural Services” outlined three options on how a range of cultural services could be managed in the future.
- Cultural services delivered by the local authority are largely non-statutory, meaning councils do not have a legal obligation to provide them. However, they are popular and well respected services that aid the health and wellbeing of residents, and contribute to the counties’ economy.
- The development of the future management options was undertaken in three phases:
 1. Research and development;
 2. Commercial and options modelling;
 3. Market testing the options.
- Consultation to date shows that stakeholders are concerned with maintaining the current level of services.
- A number of local authorities are reviewing their cultural services offer, working with communities, private enterprise or the voluntary sector to change how services are delivered.

Reasons for Recommendations

- 1 To give Overview and Scrutiny Committee members background to the Cabinet report

Further information on the subject of this report is available from
Natalia Silver, Project Director on (01432) 260732

“Management Options for Cultural Services” considered on the 15th December (Appendix 1) and respond to Cabinet’s invitation to consider the options.

Introduction and Background

2 In December 2011 the Cabinet considered the report entitled “Management Options for Cultural Services”. The report outlined three options in the future management of services in scope of the cultural services review.

3 The services in scope were those traditionally associated with cultural services (Appendix 2: Services Profiles). Though not completely, these services are largely non-statutory though high profile in contributing to social and economic well-being.

4 The focus of the review is the management of the services, as a way of delivering savings whilst protecting the front line delivery. This means exploring how services can be run differently, internally or externally, to create more efficient ways of working. To that end a set of objectives regarding the review were established:

Better Services – opportunity to use cultural services to create better outcomes for people through links with health and well being, learning and economic development.

Community – a co-ordinated approach to cultural services that supports third sector sustainability.

Commissioning – develop services through commissioning that meets the council’s corporate objectives.

Financial – ability to make savings, share resources and maximise income.

5 A number of local authorities are considering how they balance the continued operation and viability of their cultural services next to budget challenges. Appendix 3 profiles cultural trusts operating in different parts of the country.

6 Herefordshire has a track record of outsourcing its cultural services with the establishment of the Courtyard in 1999 and Halo in 2001. Both receive a service level agreement which is based on achieving the corporate aims of the Council.

7 The service expenditure contained within the Cabinet report (Annex 3) outlines a budget subsidy of £7.089m (including central service recharge) within the current financial year. The majority of the costs are staffing for the specialist nature of the services with a number of services benefiting from external funding. (The budget includes the commission to Halo and the Courtyard and service level agreements to other arts organisations).

Key Considerations

8 The review of the cultural services has been in three phases.

Phase one – research and development

9 Service managers along with representatives of Halo and the Courtyard were involved in two workshops on the 29th March and 27th May 2011 to:

- Form the objectives of the review;
- Establish the scope of the review;
- Advise on processes required in conducting the review (including communication and engagement);
- Address strength and opportunities of the different operational models;
- Raise key issues, such as property, finance and existing service changes.

- 10 The first phase also included desk research into the different approaches of other local authorities and referenced to local research, including:
- Economic Impact of the Courtyard (ref background paper 1)
 - The Future Library Programme (ref background paper 2) commissioned jointly by Herefordshire and Shropshire Councils with national government funds to assess the future options for library services
 - The Heritage Services review (ref background paper 3) was useful for additional research.
- 11 Progress reports were presented to HPSLT (Herefordshire Public Services Leadership Team) on 5th July and 11th October 2011 to test scope and approach.
- 12 Early consultation was sent to key stakeholders from August 2011 onwards to comment on their aspirations and concerns regarding the review. 17 responses were received with strong support for the services, though their key concern was to retain the current level of service.
- 13 A Member's workshop took place on 26th October 2011 to understand priorities in terms of importance of services to residents. This included prioritising the outcomes as listed below:
- To give children and young people experience in culture and leisure as grounding for adulthood;
 - To contribute to a thriving and diverse economy through tourism and employment in the cultural sector;
 - To provide access and appreciation of the countryside;
 - To provide access to sport and physical activity where people can improve their health;
 - For cost not to be a barrier to opportunities and experiences in the cultural sector;
 - To make archive and historic collections available to the public;
 - To improve skills and knowledge through access to books and knowledge in different forms and formats;
 - To conserve and preserve historic and environmental assets for future generations, including meeting regulatory and environment management of collections;
 - To instil creative skills as a benefit to employers considering the changing nature of workforce requirements;
 - Enable local people to experience national, regional and local creative experiences;
 - Increase engagement in the arts to bring communities together, develop skills and experience;
 - To set future policy to maximise cultural services as a means to achieve corporate aims, delivered through community enablement, commissioning and partnership activity to provide value for money.

Phase Two – Commercial and Options Modelling

- 14 This phase of the review looked in more detail at the operation of the individual services. This included workshops with the services managers on 27th and 29th September 2011, and follow-up one to one sessions in October 2011.
- 15 Working with advice from Commercial Services this phase involved understanding the specific activities of the services. To emerge was a number of “commonalities” in which services conduct similar types of activities or serving similar customers in their specialism (ref background paper 4). This can be broadly divided into three areas in commonality by:

Process: similar focus of activity eg customer engagement, asset management, marketing and publicity;

Core function: split between strategic / development and delivery of services;

Specialism: can be grouped several ways, but to emerge was an arts, heritage and sports/leisure split as determined by the service representatives;

By association: where there were strong linkages to other functions or services, for example archaeology and planning; archives and modern records; sports and health.

- 16 These commonalities were important in forming the options presented in the Cabinet report because it demonstrated where there was strong linkage between services. The commonalities also demonstrated the split between direct delivery of services next to strategic/development activity; and where services share common processes. In effect these commonalities can be overlaid to form the options.
- 17 In addition to work on commonalities, an evaluation was conducted on Delivery Models (Annex 2 of Cabinet report). These looked at the various management arrangements scored against outcomes important to the review, namely:
- Create savings required without impacting on services;
 - Create long term savings and income generation;
 - Achievable management costs by the local authority;
 - Long term stability;
 - Local authority retain influence and control;
 - Involves communities in governance;
 - Easy and cost efficient to implement;
 - Builds on current arrangements.
- 18 Some of the judgements on the Delivery Models can only be speculative until the financial viability can be confirmed through market testing.

Phase Three – Market Testing the Options

- 19 To fully gauge the viability of the three options they need to be tested within the commercial market. This can identify actual interest in running services and if outsourcing services can create financial and service benefits. This is particularly important as though some of the services can generate significant amounts of income and reach a range of audiences, most services have little to interest the commercial market beyond the subsidy offered by the local authority.
- 20 Option 1 (Combined Services) has undergone soft market testing to see if there is interest from the market in running a combination of services and in so doing creating economies of scale (the market test ran from 19th January to 8th February 2012).
- 21 If Option 1 proves to be viable, a full procurement will take place starting in April 2012 for any organisation able to bid to run a combination of services. As this will be a comprehensive procurement this will take between 8-12 months and likely to include competitive dialogue.
- 22 For Option 2 (Customer Segmentation) three detailed specifications have been produced for any organisation or business to tender against. The three services are Countryside Sites (part of the sports and leisure segment); Museum and Heritage sites (arts and museum segment) and the Music Service (arts and museum segment). These services are the only ones in the Customer Segmentation Model that are not currently outsourced.
- 23 Originally, Outdoor Education and Positive Activities for Young People were included in the sports and leisure segment, however the services are not ready to go to market. The three services that are part of the tender process are relevantly self-contained areas of work.
- 24 The tender process will also allow for Option 3 (Status Quo with Improvements) as this option looks at retaining services in house, but when and if relevant allowing for individual

arrangements for outsourcing of services. As any organisation can bid for services through the tender process the strongest submissions may not reflect the segmentation model.

- 25 By following this route a wider range of information will be available to form the recommendation for the best option.
- 26 Any type of organisation can submit a tender including private sector, voluntary sector, mutual/co-operatives, charity, social enterprise or voluntary organisation. Their submission will be scored in terms of:
- Track record;
 - Variability and stability (financially and as an organisation);
 - Governance (including local / community involvement);
 - Quality of proposals in terms of service specialisms, financial management, meeting or exceeding service outcomes, etc.
- 27 There will be a restructure of the remaining “client” side of officers who remain within the local authority, with a new structure determined by which option is pursued. The consultation for the service structure will begin in April 2012.

Information to form Recommendation

- 28 To inform the recommendation the following information will be available:
- Summary of returns for the soft market test (option 1);
 - Summary of tenders for three potentially outsourced services (options 2 and 3);
 - Consultation responses;
 - Outcome of Overview and Scrutiny Committee;
 - Equality Impact and Needs Assessment on the recommended option.
- 29 As the options are concerned with the management of services the decisions regarding the options will be made by the Director for Places and Communities in consultation with the Cabinet Member. Depending on the scale of change there may need further recommendations to be considered by Cabinet.

Scope

- 30 There has been several considerations of the scope of services in the review. Services have been grouped based on the Department of Culture, Media and Sport areas of responsibility (that include the arts, creative industries, historic environment, libraries, museums and galleries, sport and tourism). With the exception of the Music Service, all these services are contained within the Places and Community Directorate.
- 31 Outdoor Education and Positive Activities for Young People were included in scope because of their linkage to sport and arts, and as the Youth Service is also considering their future delivery arrangements. These services are in the People’s Services Directorate.
- 32 As the delivery of libraries merged with Customer Services in the Deputy Chief Executive’s Directorate only last year to create efficiency savings the operations of the libraries are no longer in scope.
- 33 Some of the services have strong links outside of cultural services, namely archaeology to planning, and archives to modern records, however both still have objectives relating to access to and interpretation of heritage as a core value of cultural services.

Community Impact

- 34 Appendix 4 outlines research conducted to understand the value of cultural services to the

community and economy. This includes positive impacts on:

- Economic viability and contribution (specifically tourism and creative industries);
- Health and wellbeing (physical and mental health);
- Community involvement (catering for different age groups, social inclusions, clubs and societies, and viable geographic communities);
- Raising standards for children and young people (including confidence building, skills development, local identity and heritage).

Equality and Human Rights

- 35 Background paper 5 assesses all three options in terms of the impact on Equality and Human Rights. As this review is concerned with the management of services the Equality Impact and Needs Assessment shows no material impact on front line services that would have a detrimental effect on different groups.
- 36 The current consultation includes request for information on how the options could have an impact on specific vulnerable groups. This will help inform any further decisions.

Financial Implications

- 37 A financial profile of the services is set out in Annex 2 of the Cabinet report. At least £150,000 of savings is expected to be generated through the review via management change not impact on quality of front line delivery.
- 38 The challenging financial environment means that particularly non-statutory services, need to find different ways of operating or cease to be provided. In meeting budget savings cultural services has historically made service changes, for example tourism is now completely outsourced; cease of subsidy for tourist information centres; and different focus for the mobile libraries with the establishment of community libraries. 2012/13 will be the third financial year that Halo and the Courtyard have had percentage reductions in the commissioning agreements.
- 39 The budget provided with the Cabinet report demonstrates the corporate re-charge for services.
- 40 As with the establishment of Halo, many cultural trusts set up as charities have benefited from savings from National Non Domestic Rates (NNDR). The details of NNDR savings are outlined in the Appendix 1 of the Cabinet report, though in summary charities can apply for 80% relief from their premises rates. From 2013 the local collection/management of rates could mean that Herefordshire Council will have to provide all of the mandatory rate relief, and therefore not a saving to the local authority. It is likely there will be some compensation to cover the mandatory requirement, but that will not be known until details of the local collection are confirmed.

Legal Implications

- 41 Recreational, cultural and sporting services are "Category B" services which means that they are not subject to European procurement requirements. However, testing the market and running a competitive process allows the council to assess value for money and gather a range of information to make an informed decision.

Risk Management

- 42 There are a number of risks associated with this review:

(a) Risk: The soft market test and tendering exercise shows no benefit in changing services.

Mitigation: the bidder submissions will be subject to a range of criteria balancing both service benefit and financial creditability (including savings). If none of the submissions show advantages, services will be retained within the local authority in accordance with option 3.

(b) Risk: The budget savings will not materialise. Though the tendering exercise is likely to result in budget savings it is unrealistic to expect those to materialise within the first 6-8 months (therefore limited in financial year of 2012/13).

Mitigation: The saving requirement of £150,000 will be met through a mixture of efficiencies, one of savings, end of contracts and reduction in management costs retained within the local authority.

(c) Risk: creating uncertainty for existing cultural services providers. The review process has created uncertainty for all services and organisations in scope. The soft market test of Option 1 includes Halo and the Courtyard, and this has come at a particularly difficult time for Halo as it enters a new contract to run centres elsewhere.

Mitigation: The commissioning agreement with Halo and the Courtyard has been confirmed for 2012/13 financial year independent of the outcome of the review. Both organisations could benefit from extending their customer offer by managing other service areas.

(d) Risk: Change considered negative. The main concern arising from the consultation is that any change will result in the deterioration of service. Within any of the options there is likely to be management change to be able to meet the budget challenge whilst retaining services level. However, at first sight this change or the transition could be considered a service reduction.

Mitigation: Effective communication outlining that whilst the change may result in a different way of doing things this will not reduce in the standards or level of services. Impacts to be assessed through Equality Impact and Needs Assessments and addressed accordingly and where necessary.

Consultees

- 43 Consultation for this review has taken the following route:
- 44 Involvement of service representatives and organisations in scope to shape the review (started in March 2011);
- 45 Staff / Unison e-forum established (September 2011);
- 46 Unison briefings and correspondence;
- 47 Written consultation with stakeholders (August 2011);
- 48 Member's seminar on priorities for cultural services (October 2011);
- 49 One to one meeting with the Sports Council and Arts Council - the latter also has responsibility for heritage (October 2011);
- 50 Public consultation available via the e-consult website, email or paper versions at the libraries (from December 2011 to March 2012). Publicised to the media and notification given to key

groups, members and officers who have also distributed the questionnaire;

- 51 The consultation questionnaire asks quite broad questions relating to the options and equalities, with more detailed consultation taking place with target groups if or when there are front line service changes;
- 52 The Cultural Services review was part of the Better Services Group as part of Rising to the Challenge, and used as a model to test the emerging Commissioning Framework.

Appendices

- 53 Appendix 1. Cabinet report and associated annexes
- Appendix 2. Service Profiles
- Appendix 3. Cultural Trusts
- Appendix 4. Value of Cultural Services

Background Papers

Background papers are available in the member's room or electronically on request via member's services:

- 1) Economic Impact of the Courtyard
- 2) The Future Library Programme report
- 3) Heritage Services Review
- 4) Commonalities Diagram
- 5) Equality Impact and Needs Assessment
- 6) Museum Libraries & archives (MLA) - The opportunity of devolved governance
- 7) Public sports and recreation services
- 8) Taking Part 2011-12 Results

MEETING:	CABINET
DATE:	15 DECEMBER 2011
TITLE OF REPORT:	MANAGEMENT OPTIONS FOR CULTURAL SERVICES
PORTFOLIO AREA:	ENTERPRISE AND CULTURE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To outline the short-list of options for the future management and delivery of a range of cultural services.

Key Decision

This is not a Key Decision.

Recommendations

THAT:

- (a) **To give delegated authority to the Director for Places and Communities to agree the future management arrangements for cultural services in consultation with the Cabinet Member;**
- (b) **To request the options are considered by Overview and Scrutiny Committee.**

Key Points Summary

- A number of delivery models for Cultural Services have been explored with a short-list of three emerging as most appropriate for the services in question. The short-list has been achieved through gaining an understanding of the services in scope, including working with the Corporate Commercial Team and appraising the linkages between services. The options also take into consideration the other change programmes which are currently taking place or planned within HPS.
- Work has been carried out to identify processes that are common across some or all of the “in scope” services, with an initial analysis suggesting that it may be possible to develop some shared processes and therefore the potential for creating cost and service benefits.
- The assessment to date, including a function analysis of services, consultation with stakeholders,

Further information on the subject of this report is available from
Natalia Silver, Project Director on (01432) 260732.

and a workshop with Members, has shaped the set of outcomes that will form the priorities for commissioning services.

Alternative Options

- 1 The alternative option is that the review is deferred for further consideration or discontinued. This will have an impact of meeting the budget saving target of a minimum £150,000 for 2012/13.

Reasons for Recommendations

- 2 The recommendations allow for a detailed dialogue to begin with potential suppliers on the service proposals and the costs models.

Introduction and Background

- 3 It is apparent that nearly all first tier local authorities are reviewing the management and delivery of their cultural services provision. This is out of necessity because of the budget challenges impacting non-statutory services, as well as the changing functions of local government through more of a commissioning framework whilst reflecting the intentions of the Localism Act.
- 4 The investment made by local authorities is spent on delivery of services, but also on development and enabling. "Development" is in terms of quality, but also in a leadership function in driving change and improvement in the cultural sector to create maximum benefit. "Enabling" is supporting communities with advice, funding and facilitation to do things for themselves.

Key Considerations

- 5 The review of Cultural Services has identified the services in scope of the work, the key outcomes they deliver, the commonalities or linkages between them and has assessed a number of delivery options. The full review document is attached at appendix 1.
- 6 The services selected to be in scope of the review are associated with the outcomes listed later in this document. Services in scope are listed below.
- 7 The services in scope of the review are Leisure facilities, Arts facilities, Arts Development, Heritage, Inspire (Cultural Learning), Archives, Archaeology, Libraries (development and delivered services), Sports Development and Physical Activity, Herefordshire Music Service, Countryside, Positive Activities for Young People and Outdoor Education,

Outcomes

- 8 In terms of "global outcomes", the in-scope services are well aligned to the Corporate Plan outcome of achieving "vibrant cultural opportunities" which itself sits within the priority to "promote self reliant local communities". Research carried out on the "value of culture" has shown there to be strong alignment with a number of other Corporate Plan priorities.
- 9 In commissioning individual services, it is important to move from global to service specific set of outcomes. The following outcomes for Cultural Services have been identified as part of the work of the review:
 - To improve skills and knowledge through access to books and knowledge in different forms and formats;

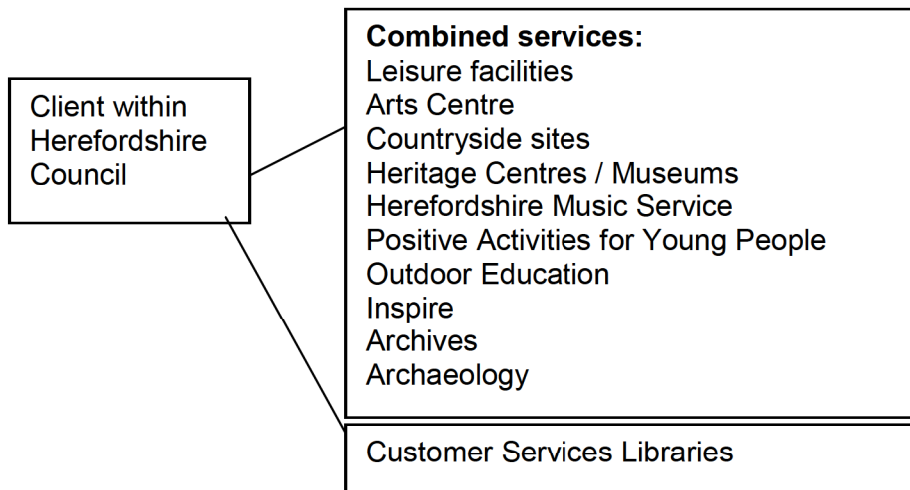
- To make archive and historic collections available to the public;
- To conserve and preserve historic and environmental assets for future generations, including meeting regulatory and environment management of collections;
- To give children and young people experience in culture and leisure as grounding for adulthood;
- To instil creative skills as a benefit to employers considering the changing nature of workforce requirements;
- To contribute to a thriving and diverse economy through tourism and employment in the cultural sector;
- Enable local people to experience national, regional and local creative experiences;
- Increase engagement in the arts to bring communities together, develop skills and experience;
- To provide access and appreciation of the countryside;
- For cost not to be a barrier to opportunities and experiences in the cultural sector;
- To provide access to sport and physical activity where people can improve their health;
- To set future policy to maximise cultural services as a means to achieve corporate aims, delivered through community enablement, commissioning and partnership activity to provide value for money.

Shortlisted Options

- 10 Taking into consideration the scoring of the long list of options, the profile of the services and the commonalities between services three shortlisted options have emerged. These are:

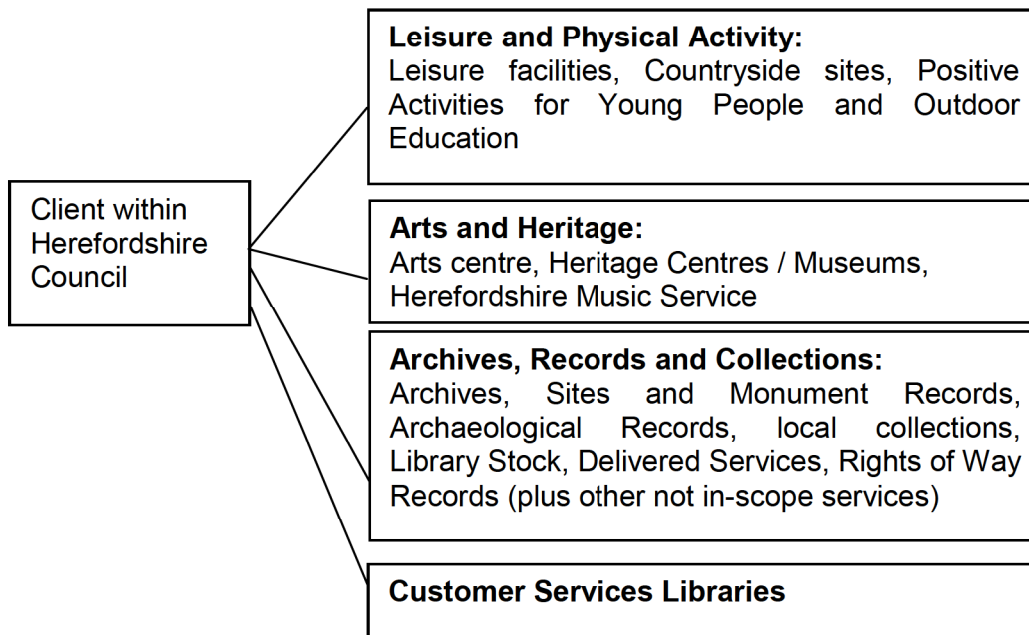
Option One: Combined Services
 Option Two: Customer segmentation model;
 Option Three: Status quo with improvements.

- 11 **Option One:** Combined Services



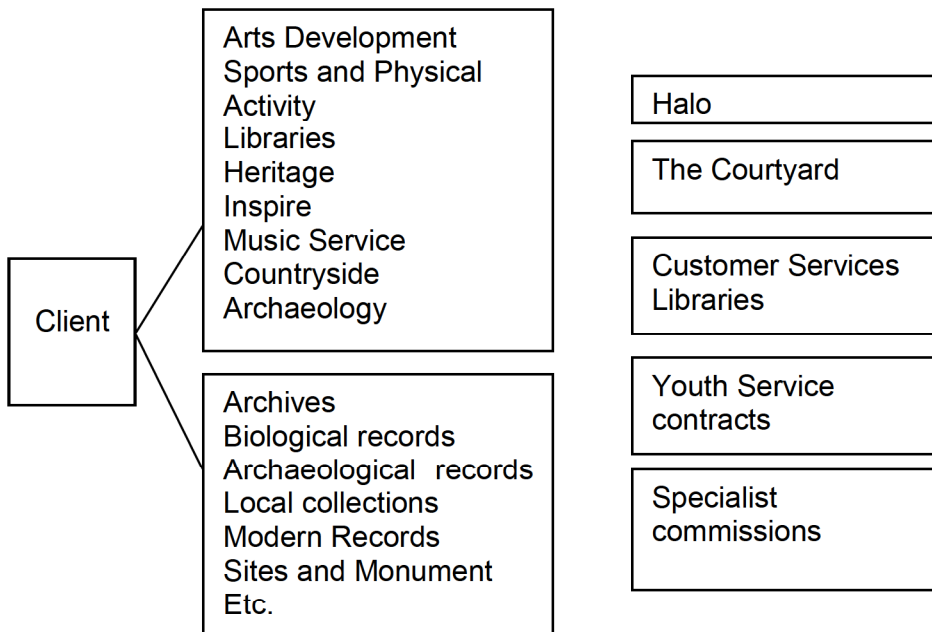
Description: A small client function within the local authority that has the role of commissioning and development. The “delivery” of services would be commissioned through a single external body to manage a group of services. Library delivery through Customer Services would remain as part of the local authority, at least in the short term.

- 12 **Option 2: Customer Segmentation**



Description: The option builds on an understanding of the customer base for the services, grouping functions that best meet the people who use them and the way they are used. This option is also building on what is already operating in the county and could be seen as a further step in the wider re-engineering of services and functions. The option retains a core commissioning and development team within the local authority, whose role would be to interact with other related departments in HPS and will set the standards and policies for any commissioning.

13 Option 3: Status Quo Improvements



Description: The status quo with improvements means retaining majority of services within the local authority but with clear internal commissionary arrangements, along with small contracts to providers to run specialist services. Halo and the Courtyard retains the current remit. There is also the potential of working with neighbouring counties over sharing specialisms.

Community Impact

- 14 Cultural Services is largely a non-statutory service, therefore the council is not obliged to invest in services. However, there is a strong public and political expectation that the council will do so. Desk research has taken place to understand the value of culture in terms of linking to corporate aims, social and economic value.

Local and national research has shown that Cultural Services can contribute to a range of wider community benefits, these include:

- Promote self-reliant local communities
- Raising standards for children and young people
- Contribute to a thriving economy
- Improve health care and social care outcomes

Equality and Human Rights

- 15 Each of the three shortlisted options has been subject to an Equality Impact Assessment. These assessments are not showing any clear impact on equality and human rights as the key purpose of the review is to retain and improve the level of front line service. The financial sections outline how savings plan to be made within the shortlisted options.
- 16 The Equality and Human Rights impact on the Youth Review will be considered in a separate cabinet report.

Financial Implications

- 17 Considering the retention of front line services, the realistic options for reducing the budget therefore are:
- The redirecting of services e.g. a different way of doing things
 - The merger of services e.g. library merger with customer services
 - Reducing the corporate overheads
 - Reducing the staffing complement by bringing functions together
 - Opportunity to raise additional income
 - The overall objective is that there will be a saving of £150,000 generated from the implementation of the review.
- 18 Depending on the option agreed there is potential for financial benefit via from National Non-Domestic Rates (NNDR) which permits councils to grant rate relief to several categories of ratepayers. Also Non-profit distributing bodies operating sports facilities are exempt from VAT on entrance fees for sporting activities and there are some other VAT breaks for voluntary bodies generally.

Legal Implications

- 19 None at present. Legal advice will be taken in relation to implementing a preferred option as regards any procurement, company formation, charitable status, funding and employment and pension implications.

Risk Management

- 20 Risk: non-delivery of savings

Mitigation: finance will be reviewed as part of the process

- 21 Risk: non-delivery of time-table
Mitigation: depending on model chosen will depend on the procurement route
- 22 Risk: impact on level and standard of services
Mitigation: aim to sustain services, including existing externalised services.
- 23 Risk: reputational as key partners do not agree with shortlisted models
Mitigation: early negotiations with partners.

Consultees

- 24 Involvement and consultation to date:
- Workshop sessions with services representatives / managers - 29th March and 3rd May
 - Reports of HPSLT (Herefordshire Public Services Leadership Team) - 5th July and 11th October
 - Briefing note to council members and stakeholders – August and September
 - Comments and questionnaires on proposed changes in management - responses from 19 organisations during September and October
 - Function Analysis workshop with individual services – 27th and 29th September
 - Session on cultural Services for all members – 26th October
 - Meetings with regional bodies
- 25 Following Cabinet Committee a consultation document will be produced outlining the 3 shortlisted models, which will aid the final decision making process. The models will also be presented to Overview and Scrutiny Committee on 16th January 2012.

Appendices

- 26 Appendix One – Review document
- Annexe One - Delivery Options
 - Annexe Two - Financial profile

Background Papers

- Service profiles and value to the community.

Options for Cultural Services - Review Document

Aim of the Review

The aim of the review is based on four considerations. These are:

- **Better Services** – opportunity to use cultural services to create better outcomes for people through links with health and well being, learning and economic development.
- **Community** – a co-ordinated approach to cultural services that supports third sector sustainability
- **Commissioning** – develop services through commissioning that meets the council’s corporate objectives
- **Financial** – ability to make savings, share resources and maximise income

Outline of Services in Scope

The services selected to be in scope are linked through the deliver of “cultural services” and associated with the outcomes listed later in this document. Services in scope are listed below.

- Leisure facilities - this is primarily the Halo facilities.
- Arts facilities – the commission to the Courtyard
- Arts Development
- Heritage
- Inspire (Cultural Learning)
- Archives
- Archaeology
- Libraries (development and delivered services)
- Sports Development and Physical Activity
- Herefordshire Music Service
- Countryside
- Positive Activities for Young People
- Outdoor Education

Most of the services are currently with the Places and Communities Directorate, though the Schools Music Service, Outdoor Education and Positive Activities for Young People are within the People’s Directorate.

The commission to Halo and the Courtyard are also in scope. The local authority outsourced the delivery of the Courtyard to a designated trust in 1999 to run the then newly built arts centre in Hereford; whilst Halo was established in 2001, again as a designated trust. Both receive funding through a service level agreement which is based on achieving the corporate aims of the Council and have extended their “core” remit over time to meet health and well being agendas.

The table below sets out the total number of services users access the directly provided or commissioned services.

Service	Out turn 2010-11	Notes or explanation
Halo	1,404,597	Total number of visits to Halo sites
Kington/ Wigmore Leisure Centres	27,500	Total no visits to Lady Hawkins Leisure Centre, Kington
	9,500	Total no of visits to Mortimer Leisure Centre, Wigmore
The Courtyard	78,789	Total known attendance for paying customers
	200,000	Total estimated attendance for paid and unpaid activities
Heritage	132,737	Total number of visits to Council owned heritage centre sites
Archives	3902	Total visits to Records Office
	672	Attendance at talks
	883	Attendance at exhibitions and events
Libraries	700,312	Total no of visits to libraries
	209	Home Delivery Service (from January 2012)
	31	Nursing Homes visited.
Learning Team	13,848	Includes attendance by adult and children at events, reading groups and school visits.
Herefordshire Music Service	2,500 pupils pw	Individual and paired instrumental lessons (for 32 weeks)
	850 pupils pw	Wider Opportunities/whole class instrumental lessons (for 32 weeks)
	325 pupils pw	Music Centre bands and orchestras (for 19 weeks)
	576 pupils	SingUp/Vocal (3 sessions)
	Approx 750 pupils	Other projects/residential course etc.
Youth Service	3,411	No of 13-19 year olds in contact with youth service
	533	No of 13-19 year olds contact through 3 rd sector contract
	1,129	Accessed outdoor education services through Duke of Edinburgh's award scheme.
Arts Development Service	103,188	Consists of h.Art / Craft Fair visitors, artists taking part in arts markets, those receiving training and audience/participant figures from our 10 commissioned arts organisations.

Role of Cultural Services

The public sector subsidy of cultural services supports a wider range of core functions:

Economy –attractions and events are key to the county's tourism offer; employment in the sector; promotion and events; support for the creative industry sector and other business / employment opportunities.

Health and well being – strong links with sport and wider physical activity (e.g. play, walking); mental health through arts, reading and access to the countryside; creating opportunity for social integration including cross generations; social care activity e.g. heritage projects involving older people.

Community – access to services including mobile museum, arts and sports outreach, book clubs, as

well as targeted home delivery services (libraries); creating social networks through events; support for local groups to run their own activities; supporting cultural diversity.

Children and Young People - book start programme; support for the school curriculum through mobile library, heritage, arts and library programmes; targeted work with young people who are vulnerable or excluded; outdoor education; creating a “creatively” minded workforce.

Environment – protection of the natural and historic environment; access to the countryside, play areas and parks.

Holders of the corporate assets – historic collections in trust of the local authority, primarily within the Record Office, the collections of Heritage Services and countywide records in the care of the Archaeology Service.

Reputation - quality of life in an area measured by its cultural offer; business relocation based on leisure and recreation availability.

Outcomes

In terms of “global outcomes”, the in-scope services are well aligned to the Corporate Plan outcome of achieving “vibrant cultural opportunities” which itself sits within the priority to “promote self reliant local communities”. Also, research carried out on the “value of culture” has shown there to be strong alignment with a number of other Corporate Plan priorities.

In commissioning individual services, it is necessary to move from global to service specific set of outcomes. The following outcomes were generated as part of the work of the review:

- To improve skills and knowledge through access to books and knowledge in different forms and formats.
- To make archive and historic collections available to the public.
- To conserve and preserve historic and environmental assets for future generations, including meeting regulatory and environment management of collections.
- To give children and young people experience in culture and leisure as grounding for adulthood.
- To instil creative skills as a benefit to employers considering the changing nature of workforce requirements.
- To contribute to a thriving and diverse economy through tourism and employment in the cultural sector.
- Enable local people to experience national, regional and local creative experiences.
- Increase engagement in the arts to bring communities together, develop skills and experience.
- To provide access and appreciation of the countryside.
- For cost not to be a barrier to opportunities and experiences in the cultural sector.
- To provide access to sport and physical activity where people can improve their health.
- To set future policy to maximise cultural services as a means to achieve corporate aims, delivered through community enablement, commissioning and partnership activity to provide value for money.

Consideration of Future Options

In considering the future delivery arrangement for services a number of commonalities have emerged. These are based on services sharing the same processes, target groups, or purpose. These have been considered to explore how services can be brought together to create efficiencies or a more co-ordinated approach for users. These can be “overlaid” to understand how service functions can be grouped were appropriate.

These can be summarised by:

Process – the way in which services share key areas of work. These are primarily based on customer engagement and partnerships; marketing and promotion; asset management (e.g. collections); enabling and advising; policy and development; building and management. (These are listed in terms of the most common being first).

Core functions – this divide is between strategic / development and direct delivery of activity. Whilst Halo and the Courtyard firmly correspond with direct delivery, a number of the internal services had a role in both divisions.

Specialism – this primarily looked at specialisms and to some degree how services are accessed. Three strong areas emerged as Arts, Heritage and Sport / Physical Activity.

By Customer – understanding shared customer interests and type. This uses as a starting point the customer / user interest and where there can be opportunity for shared experience and audiences.

The analysis of services needs to be considered next to the delivery options. Based on desk research and discussions in other counties the following long-list of options has emerged in the delivery of services.

Retained within the local authority

Though a number of authorities seem to be looking at externalisation of cultural services, there is still an option to retain services in-house. This would require a split between the delivery and commissioning.

Collaboration with other local authorities

The merger of services across authorities has been explored in a number of studies, primarily considering the library service. Work commissioned to Black Radley showed only a minimum financial benefit of authorities coming together for joint management; and this was also explored more locally through the Future Libraries Programme (Herefordshire and Shropshire) which estimated a saving of no more than 3%.

Single and multi charitable trusts

There are several formats of charitable trust though the most frequently operated by the cultural sector is charitable trust combined with company limited by guarantee. The combined trust and company is owned by members and controlled by directors / trustees usually recruited from the local area. It operates as a legal entity with full financial and contractual capabilities, subject to dual regulation by the Charities Commission and Companies House. Both Halo and the Courtyard are run this way.

Though most trusts operate based on specialisms (e.g. leisure) in some areas a “super-trust” manages a group of cultural services. This has the advantage of a strongly co-ordinated sector, but some of the subtleties of specialist markets, interests and identities could be lost.

Private company /social enterprise

The private sector is increasingly interested in the managing of cultural services. However, this is usually based on volume and being able to maximise income. Primarily this is within leisure centres, but the private sector has expressed an interest in running libraries. There is also potential for the services to set up as their own private companies and social enterprise – possibly created through a staff mutual. This could be especially relevant for traded services, though the scale of these companies could impact on sustainability unless linked to larger enterprises or companies.

Joint venture company or partnership

As a formal arrangement the service could follow the Amey model operated in the county. Amey is a private sector provider but very much wedded to the Council in the delivery of corporate aims and programmes. There is an agreement to share any surplus.

In Annex 1 these options have been scored based on meeting the aims of the review, and financial viability. In summary these “tests” are:

- Achieve outcomes
- Create savings required
- Create long term savings and income generation
- Achievable management costs by the local authority
- Long term stability
- Retain influence and control
- Involves communities in governance
- Easy and cost efficient to implement
- Builds on current arrangements

Shortlisted Options

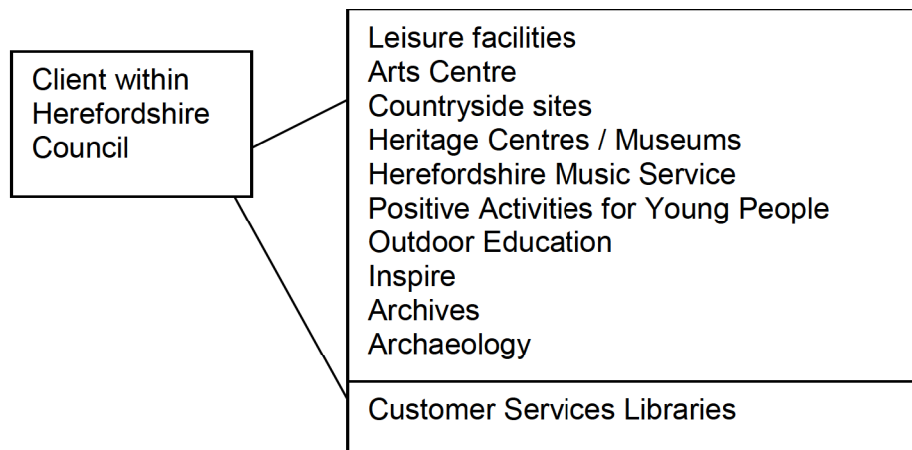
Taking into consideration the scoring of the long list of options, the profile of the services and the commonalities between services three shortlisted options have emerged. These are:

Option One: Combined Services

Option Two: Customer segmentation model

Option Three: Status quo with improvements

Option One: Combined Services



Development and Commissioning

Delivery and operational

Description: To retain a small client function within the local authority that has the role of commissioning and development. The “delivery” of services would be commissioned to an external body to manage a group of services. It is likely this would be a charitable trust as this is a common model used to deliver cultural services, there could be private sector interest with the scale of services involved (subsidy value of approx £5m – although the private sector would probably require something more guaranteed than a subsidy). The organisation would be Herefordshire based, but with the potential to work across county boundaries.

The in-house commissioning and development team would set policy that the “delivery” organisation would fulfil. The delivery organisation would operate on an enterprise model to generate income and seek other contracts.

Library delivery through Customer Services would remain as part of the local authority, or at least in the short term.

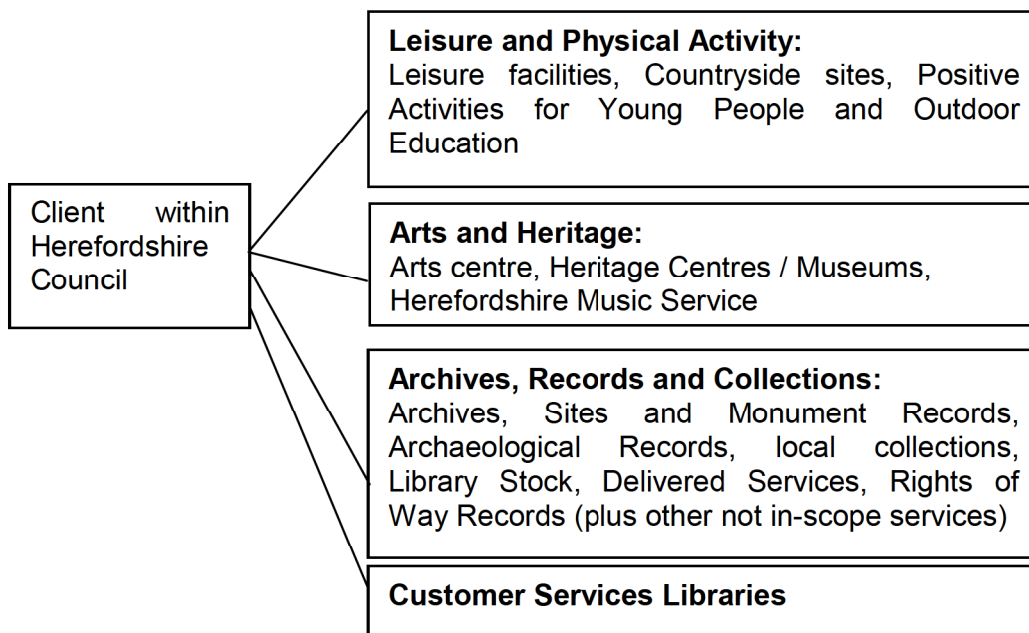
Advantages

- Larger economies of scale would be achievable through the single trust model
- There would be a single relationship with an external organisation to deliver a range of cultural services which may be easier to manage and less resource intensive
- There is potential to improve marketing / profile in the co-ordination of services which could create opportunities to generate income
- Back office functions can be shared, saving resources
- Potential for NNDR savings (see finance section)

Disadvantages

- Does not build on current outsourcing arrangements, having to start again on procurement which would take time and contain an opportunity cost (approx £70,000-£100,000) which would need to be balanced with the level of reward e.g. level of savings.
- The functions of a number of specialisms of services in scope have little in common
- The single trust model places the risk of failure on one organisation
- That single trust model may give favour to services that earn income

Option 2: Customer Segmentation



Development and Commissioning

Delivery and operational

Description - The option builds on an understanding of the customer base for the services, grouping functions that best meet the people who use them and the way they are used. This option is also building on what is already operating in the county and could be seen as a further step in the wider re-engineering of services and functions.

The option retains a core commissioning and development team within the local authority, whose role would be to interact with other related departments in HPS and will set the standards and policies for any commissioning. This team will also drive development programmes and support community enablement e.g. set up of community libraries.

The commissioned functions would be the deliverers of services, with direct interface with their users. This is to reflect how people use specific services and which people use services. The work of the commissioned organisations/services are largely based on customer access to the built assets, whilst the in-house services will direct targeted work in the community.

The model would allow for the establishment of a single Archives, Records and Collections service. In relation to the services in scope this would include archives, sites and monument records, historic collections, archaeological records, local collections (from libraries) potentially library stock management - other records functions within the authority could also be part of the service. The service would be run by the local authority because of the sensitive nature of some of the material and the collection standards mandated to councils. However, they could move to an external commissioned organisation once established to benefit from NNDR savings if available.

The commission of Leisure and Physical Activity would include the Halo remit, countryside rangers and implementation, outdoor education, and positive activities for young people. This grouping reflects the activity based approach which will have shared audiences linked closely to health. The positive activities for young people would primarily be linked this segment, with relationships with community groups and other providers.

Arts and Heritage would bring together the Courtyard, the front end delivery of the museums and heritage centres and the Music Service. Whilst the Courtyard and museum / heritage centre visits share common audiences, the Herefordshire Music Service is targeted primarily at schools. However, with the national guidance to create Music Hubs there is a benefit of being linked to wider arts and music delivery.

As regards Archaeology, only the records element and related projects would be part of the model, with the rest of the services retained within the Strategic Planning and Regeneration service.

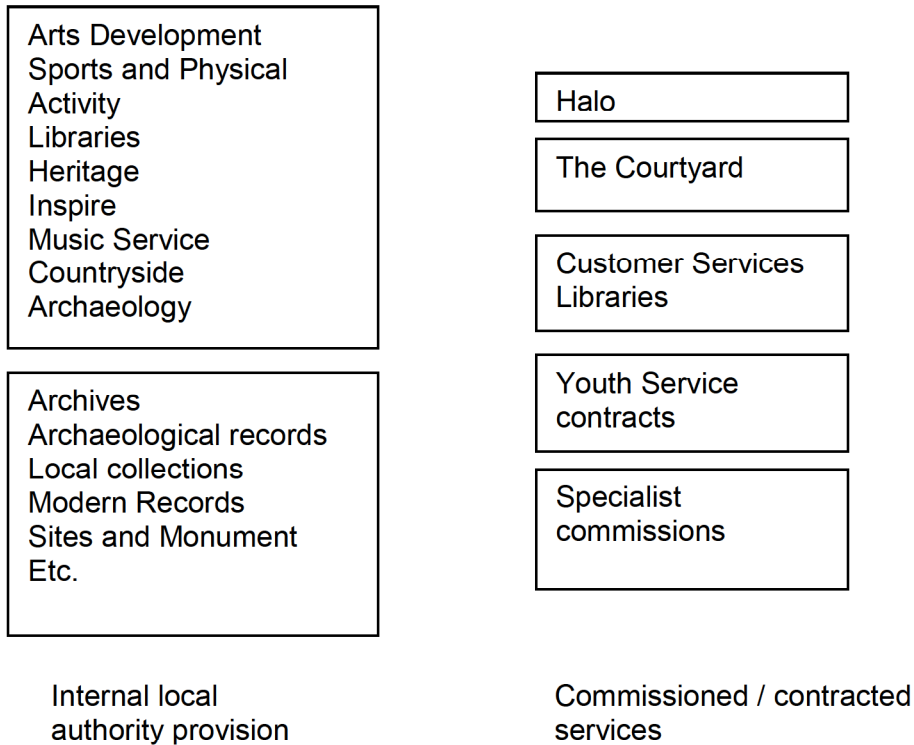
Advantages

- Recognises and retains specialisms which will possibly improve the quality of service
- Reflects customer profiles with opportunity for better co-ordination of services
- Retains some of the current arrangements, therefore not costly to implement or manage
- Commercial opportunities for income generation to make the services sustainable
- Retains care and management of key historic assets within a more co-ordinated approach

Disadvantages

- Resource needed to manage the relationship between client and commissioner could mitigate savings
- Relationship between services specifically care of collection and access / display of collections
- Does not present economies of scale as in option one.

Option 3: Status Quo Improvements



Description - The status quo with improvements means retaining majority of services within the local authority under the Places and Communities Directorate. Though currently in two different divisions they can be brought together to create overhead savings. Also, some services can proceed with a procurement route (specifically Outdoor Education and Positive Activities) with other services generating more income and in becoming traded services. This would mean Halo and the Courtyard retains the current remit with a refresh of commissioning agreements to reflect outcomes and priorities.

This could be a “step-approach” model, where individual services are commissioned overtime using various routes and mechanisms, including smaller trust/social enterprises/businesses to deliver specialist services. There is also the potential of working with neighbouring counties over sharing specialisms - this has been explored with Shropshire relating to the Futures Library Programme and heritage collections requirements.

Advantages

- Easier to implement, with each service having to find an additional 10% savings
- Retains specialisms of services either in the local authority or already commissioned services
- Can create a co-ordinated service under one division, though not co-ordinated with existing outsourced services

Disadvantages

- Does not provide answer to sustainability of services in the longer term
- Does not focus on customer usage as a starting point
- Limited drivers for change
- Having a number of smaller external contracts has a management / monitoring implication.

Financial Implications

Annex 2 contains a current overall budget for the services in scope. The budget is split between cost centres as an illustration of the allocation of spend.

Savings already planned for 2012/13, with an additional £150,000 target through the options for cultural services.

Service	Planned 2012/13 £
Halo	105,000
The Courtyard	32,000
Youth Service	191,000
Countryside Service	50,000

As a result of front of house library service merging with customer services £170,000 saving is to be achieved over a full year period starting in December 2012, which includes £98,000 existing library services savings.

Herefordshire has previously externalised cultural services (namely leisure facilities to Halo and arts centre to the Courtyard). These services have the capacity of generating a high proportion of income beyond the council's commission because of the income opportunities of ticket sales, entrance fees, venue hire, etc. This is not so much the case with the remaining services, whilst there is potential to strive for greater income there is less opportunity to do so (local authority contribution represents 19% income for the Courtyard and 14.8% for Halo).

Whilst the front line delivery of services are to be retained, there could be a change in the way services are delivered and how they are managed. Retaining standards and use will be measured through any new commissioning arrangements.

Considering the retention of front line services, the realistic options for reducing the budget therefore are:

- The redirecting of services e.g. a different way of doing things
- The merger of services e.g. library merger with customer services
- Reducing the corporate overheads
- Reducing the staffing complement by bringing functions together
- Opportunity to raise additional income
- Or a combination of some or all

As regards National Non-Domestic Rates (NNDR) the Local Government Finance Act 1988 permits councils to grant rate relief to several categories of ratepayers. These include charities, including Halo and the Courtyard. Charities can apply for 80% relief off their premises rates. Of that 80%, 85% is found from a Government pool and the rest covered by the local authority. The rates are based on the location and the size of the property so will vary – the list below gives the potential savings if NNDR was applied to all cultural services buildings (including libraries).

However, from 2013 the local collection / management of rates could mean that Herefordshire Council will have to provide all of the Mandatory Relief, and therefore not a saving to the local

authority. It is likely there will be some national funded compensation to cover the mandatory requirement, but that will not be known until details of the local collection are confirmed.

Facilities:	NNDR saving £
Ross Heritage Centre and TIC	3,105
Ledbury Heritage Centre	3,353
Old House Museum	5,705
Heritage Recourse and Learning Centre	36,763
The Records Office	26,526
Canoe Centre	1,126
Libraries:	
Bromyard	4,179
Hereford	24,970
Kington	4,386
Ledbury	4,055
Leominster	21,528
Ross	20,685
Colwall	2,445
Weobley	1,304

Non-profit distributing bodies operating sports facilities are exempt from VAT on entrance fees for sporting activities and there are some other VAT breaks for voluntary bodies generally.

Annex:

- 1 Delivery Options
- 2 Financial Profile

Annex 1 Delivery Options

Retained within the local authority
 Services retained with in house with some change of structures.

	Not achievable "0" score	Limited achievability "1" score	Partly achievable "2" score	Achievable "3" score	Achievable to high degree "4" score
Achieve outcomes				●	
Create savings required without impacting on services	●				
Create long term savings and income generation	●				
Achievable management costs by the local authority				●	
Long term stability		●			
Local authority retain influence and control					●
Involves communities in governance			●		
Easy and cost efficient to implement					●
Builds on current arrangements					●

Score: 21

Annex 1 Delivery Options

Collaboration with other local authorities
Bring services together between local authorities focusing on specialisms.

	Not achievable "0" score	Limited achievability "1" score	Partly achievable "2" score	Achievable "3" score	Achievable to high degree "4" score
Achieve outcomes				●	
Create savings required without impacting on services		●			
Create long term savings and income generation		●			
Achievable management costs by the local authority		●			
Long term stability		●			
Local authority retain influence and control				●	
Involves communities in governance			●		
Easy and cost efficient to implement			●		
Builds on current arrangements			●		

Score: 16

Annex 1 Delivery Options

Single Charitable Trusts

One charitable trust combined with company limited by guarantee.

	Not achievable "0" score	Limited achievability "1" score	Partly achievable "2" score	Achievable "3" score	Achievable to high degree "4" score
Achieve outcomes				●	
Create savings required without impacting on services					●
Create long term savings and income generation					●
Achievable management costs by the local authority				●	
Long term stability				●	
Local authority retain influence and control			●		
Involves communities in governance			●		
Easy and cost efficient to implement	●				
Builds on current arrangements	●				

Score: 21

Annex 1 Delivery Options

Multi Charitable Trusts

Several charitable trusts combined with company limited by guarantee based on specialisms.

	Not achievable "0" score	Limited achievability "1" score	Partly achievable "2" score	Achievable "3" score	Achievable to high degree "4" score
Achieve outcomes				●	
Create savings required without impacting on services					●
Create long term savings and income generation					●
Achievable management costs by the local authority			●		
Long term stability		●			
Local authority retain influence and control			●		
Involves communities in governance				●	
Easy and cost efficient to implement			●		
Builds on current arrangements			●		

Score: 23

Annex 1 Delivery Options

Private company /social enterprise Single private sector / social enterprise provider.

	Not achievable "0" score	Limited achievability "1" score	Partly achievable "2" score	Achievable "3" score	Achievable to high degree "4" score
Achieve outcomes				●	
Create savings required without impacting on services					●
Create long term savings and income generation					●
Achievable management costs by the local authority				●	
Long term stability				●	
Local authority retain influence and control		●			
Involves communities in governance	●				
Easy and cost efficient to implement		●			
Builds on current arrangements	●				

Score: 19

Annex 1 Delivery Options

Joint Venture Company or partnership

Collaborative arrangement with private sector provider or other on shared asset.

	Not achievable "0" score	Limited achievability "1" score	Partly achievable "2" score	Achievable "3" score	Achievable to high degree "4" score
Achieve outcomes				●	
Create savings required without impacting on services					●
Create long term savings and income generation					●
Achievable management costs by the local authority				●	
Long term stability				●	
Local authority retain influence and control				●	
Involves communities in governance	●				
Easy and cost efficient to implement		●			
Builds on current arrangements	●				

Score: 21

Service Area	Budgeted Expenditure 2011/12				Budgeted Income 2011/12		2010/11	
	Employee £000	Transport services and premises £000	payments Man fees £000	Financing charge £000	Total expenditure £000	Total income £000	Central services recharged £000	Total service division £000
Halo	476	120	979		1,575	0	4	1,579
Leisure Centres	52	34	7		93	0		93
The Courtyard		54	294		348	0	1	349
Arts Development	128	1	241		370	-142	70	298
Heritage	379	8	42	5	526	-29	169	666
Archives	308	2	20	61	391	-12	87	466
Archaeology	353	5	3		361	-159	41	243
Libraries	680	66	303	239	1,288	-126	772	1,934
Customer services Library trf	392		19		411			411
Learning team	168	19	17		204	-72		132
Sports Development	124	7	40	3	174	-1	86	259
Countryside exc MAC	508	23	85	2	663	-125	119	657
School Music Service	846		62	24	961	-961	0	0
Youth Service	748	26	63	81	1,031	-75	356	1,312
	4,414	131	847	703	7,365	-1,627	1,351	7,089

Note:
In total £490,470 will be transferred to customer services for library delivery
Subsidy for the Schools Music Services will be £260,000 from external sources

Service Area	Savings 2009/10 £000	Savings 20010/11 £000	Savings 2011/12 £000	planned 2012/13 £000
Halo		53	53	105
Leisure Centres				
The Courtyard		16	16	32
Arts Development				
Heritage				
Archives				
Archeology				
Libraries			102	
Customer services Library trf			98	
Learning team				
Sports Development			26	
Countryside exc MAC			50	50
School Music Service				
Youth Service			125	
Cultural services review				200
	<u>0</u>	<u>69</u>	<u>470</u>	<u>387</u>

Appendix 2

Leisure Facilities

The Herefordshire Council leisure facilities sites are at Bridge Street Sports Centre in Leominster, Hereford Leisure Centre, Hereford Leisure Pool, Ledbury Leisure Centre, Ledbury Swimming Pool, Leominster Leisure Centre, Ross Swimming Pool, The Bromyard Centre (an integrated service site including Customer Services, the library service and leisure facilities) and Hereford Golf Course. These are operated by Halo Leisure as a not for profit charitable Leisure Trust.

Herefordshire Council has a commissioning agreement with Halo which amounts to 14.8% of its income. Core income is from users and hirers. Halo are also looking at operations outside of the county, and widening its remit to cover health intervention.

There are two leisure facilities that are “owned” by separate trusts but managed by the local authority – these are based at Wigmore and Kington. Negotiations are in place to transfer the operation of the Wigmore centre to Halo in April 2011 with Kington following at a later date.

Local Authority Employees

No local authority staff, though on-going payment for job evaluation as a result of TUPE transfer.

Key Performance Indicators / Standards

- Total number of annual visits
- Total annual Gym use
- Total annual Swim use
- Number of concessionary users
- QUEST Quality Assurance scheme scores
- Outcomes of the Halo commissioning framework

Appendix 2

Arts Facilities

The only local authority funded arts facility is the Courtyard Centre for the Arts. The build was completed in 1998 and automatically was operated by a trust. The main house of the Courtyard seats 400, and the Studio seats 120 which makes it a middle scale venue. Current occupancy is on average 65% for live performances and 32% for films (2010 figures). The venue also has a jewellery workshop (run by Alloy), gallery space, office space for Courtyard and other arts organisations and bar/restaurant.

Events are based on live events and theatre, dance, film and visual arts plus range of workshops both at the Courtyard and out in the community. The Courtyard is a Regular Funded Organisation of the Arts Council which gives it status in the region, with an annual grant of £227,319, from 2012 the status will remain as it becomes a National Portfolio Holder. Other grants are received for specific work, as well as income generated from ticket sales and hire of the venue. The local authority commission represents 19% of income (2010 figures, both revenue and capital) e.g. £2.04 per head of population.

Local Authority Employees

No local authority staff

Key Performance Indicators / Standards

- Number of ticket sales
- Number of participatory sessions and attendances
- Number attending three times or more a year
- Number of volunteers
- Number of concessionary users
- High quality, diverse programme
- % of funding (including sponsorship) non-local authority
- Income targets

Appendix 2

Arts Development

The service manages the commission to the Courtyard and ten smaller commissions to the key arts organisations in the county. It also conducts a development function in assessing gaps and needs in services that an arts function can provide (e.g. recently awarded funding to run the y.Art project to engage young people in a range of different art mediums to support their development and confidence). The service also gives advice to internal departments (e.g. public art commissions) and community groups on a range of subjects covering commissioning artists, running activities and events, to giving advice to students. The service has a track record in supporting the creative industries as a particular feature of the county – this work is supported by the Hereford Contemporary Crafts Fair, Hereford Arts Markets and h.Art as a showcase of locally produced work and aiding economic development.

Local Authority Employees

Job Title	Hrs per week	Externally funded
Creative Industries Co-ordinator	37	50% externally funded
Creative Learning Officer	21	
Arts Development Officer	21	
Arts Community Officer	22	
Principal Arts Officer	37	

Key Performance Indicators / Standards

- Increase access and participation by children and young people in arts events and activities to build life skills
- Develop high quality arts initiatives which increase the county’s cultural offer, are important to creative businesses and impact on the local economy
- Audience and participation satisfaction figures
- Develop the range of arts opportunities that target and reach further into communities

Appendix 2

Heritage

The service operates Hereford Museum and Art Gallery, The Old House, Ledbury Heritage Centre and Ross Visitor Centre (a combined heritage centre and TIC). The service also maintains web presence with specialist sub-sites and an on-line catalogue. The service also operates the Museum Resource & Learning Centre, where the county collections of 100,000 objects are held and cared for. The Centre is one of the best designed collection care facilities in the UK and one of the few that provides public access to collections. The documentation of the collection is on-going with more and more objects being digitally catalogued.

The service has a joint arrangement with Marches Network for the operation of Museum on the Move, which from April 2012 will provide Herefordshire with two blocks of tours each of two months per year.

The service also provides advice and support to the network of independent museums via museum mentors drawn from staff, especially supporting them to gain and maintain standards in collections care and access that are key to achieving Accreditation. The role of community heritage ensures that the people in Herefordshire can develop heritage projects locally that celebrate and record local distinctiveness.

Local Authority Employed Staff

Job Title	Hrs per week	Externally funded
Principal Heritage Officer	37	
Visitor Services Officer	37	
Senior Museum Assistant (Hereford)	37	
Museum Assistants (Hereford) mix of contracted hours and casual	42 - winter 57- summer	
Visitor Centre Supervisor (Ross)	35	
Visitor Centre Assistants (Ross)	30.75	
Senior Collection & Access Officers	37	
Collections and Documentation and Registration Officers	92.5	
Community Heritage Officer	37	
Heritage Support Assistant (plus additional externally funded hours)	22.5	
Museum Development Officer	37	Externally funded
Design & Display Officer	37	
Finds Liaison Officer	18.5	Shared with Shropshire
Caretaker/Technician	37	
Museum on the Move Drivers/Interpreters	Casual	
Museum on the Move Interpreters	Casual	

Key Performance Indicators / Standards

- Number of visitors in person (per 1000 of population)
- No of users whether or not in person (per 1000 of population)
- No of children in organised school group visits
- Number of Accredited Museums operated (3)
- % of time the mobile museum is booked out of available days
- Number of events and activities

Appendix 2

Inspire (Cultural Learning)

Inspire is an integrated service for schools, colleges and communities bringing together the learning resources of archives, arts, libraries and museums with the shared goal of optimising cultural learning opportunities in the county for everyone. Inspire provides a cultural offer to early years settings, schools and colleges, providing local resources for Herefordshire teachers to support excellent learning.

Within communities Inspire supports learning by developing projects in intergenerational learning, family learning, IT skills, early years speech and language development, local history, etc. Inspire coordinates the Bookstart programme in Herefordshire, working with the Wye Valley NHS Trust, Children’s Services and early years settings. The programme supports child development by encouraging book sharing from birth and aims to increase library membership and use.

In January 2012 Inspire launched an integrated cultural offer to schools and colleges. This offer includes the following: Schools Library Service mobile library, Museum on the Move, project loan boxes books and artefacts, bulk loans of books to High Schools, heritage education and archive education sessions; education programmes such as Take One and Moves to Succeed, advice and support.

Local Authority Employees

Job Title	Hrs per week	Externally funded
Principal Officer Young People & Learning (job share)	37	
Early Years Officer	18.5	
Children and Young Peoples Librarian	37	
Heritage Learning Officer	18.5	
Senior Driver/Assistant	37	
Schools Library Service Assistant	37	
Schools Library Service Assistant	21	
Heritage Educators	Casual	Self financing

Key Performance Indicators / Standards

- % of Bookstart packs delivered to eligible children
- % of children completing summer reading challenge
- Take up of events and activities
- Learning outcomes from projects
- Project outcomes designed to meet corporate aims
- % take up of Museum on the Move
- Number of heritage education visits/sessions

Appendix 2

Archives

The core function of the Archive Service is to run the county’s Record Office at Harold Street in Hereford, carrying out preservation and conservation of the collections, and enabling members of the public to access the archive material. The collections, dating back to the 12th century, consist of the “corporate memory” of the local authority and its predecessors; a wide range of collections from private depositors, public records held under licence from The National Archives; and the Hereford Diocese records. Some of the collection is also held at the Hatton Gallery in Hereford because of the shortage of space at the Harold Street site.

The service also runs an outreach and a formal and informal education programme with events, classes and talks. A network of volunteers supports the service by undertaking a variety of tasks. Research enquiries and all copies are charged for. Conservation work undertaken for external clients is also charged for.

Local Authority Employed Staff

Job Title	Hrs per week	Externally funded
Information Services Manager	37	
Archive Assistant	35	
Conservation Technician	28	
Archive Assistant	8.5	
Archivist	37	
Senior Archivist	37	
Archive Assistant	37	
Archivist	37	
Caretaker/Cleaner	25	
Archive Service Admin Assistant	20	
Senior Conservator	37	
Archive Assistant	37	
Archive Researcher	Casual	Self financing
Archive Assistant	29	
Archive Researcher	Casual	Self financing
Conservator	21	

Key Performance Indicators / Standards

- Percentage of documents produced within 20 minutes in the search room
- Percentage of distance enquiries answered within 10 working days
- Amount of archives catalogued and made available to the public annually
- Percentage of new users who expressed a preference rating the service as ‘good’ or ‘excellent’
- Percentage of time when temperature in the strong rooms and search room in accordance with guidelines of BS5454
- Percentage of time when Relative Humidity in the strong rooms and search room in accordance with guidelines of BS5454
- Percentage of attendees who expressed a preference rating outreach events overall as very good or excellent
- Percentage of teachers who expressed a preference rating education sessions as good or excellent
- Rating of the Service through the National Archives self-assessment

Appendix 2

Archaeology

The work of the County Archaeology team is closely linked to the planning authority of the Council. Part of the role is to assess and advise on planning applications and to provide briefs to developers for archaeological contractor-based conservation investigation required to meet planning requirements the progress of which is then monitored by the team to ensure satisfactory discharge of planning conditions.

The service also advises on the management of historic sites and landscapes, and conducts archaeological field work partly pooled from the existing resources within the team. The major focus of the field work is on local authority / public interest schemes and projects funded through grant aided partnerships with key agencies such as The National Trust. The team fulfils the statutory duties of maintaining the Sites and Monument Record data-bases, and of operation of the Hereford Area of Archaeological Importance. It also runs a large Heritage Lottery Funded Council web (micro)-site.

The service receives regular but not guaranteed funding from English Heritage, awarded according to the successful negotiation and designing of project bids, and the closely monitored successful completion of existing projects.

Local Authority Employees

Job Title	Hrs per week	Externally funded
Project Archaeologist	37	Externally funded
Project Archaeologist	37	Externally funded
Sites & Monuments Record Officer	18.5	
Project Archaeologist	18.5	Externally funded
Senior Archaeologist	37	Externally funded
Sites & Monuments Record Officer	18.5	
Archaeological Projects Officer	37	
		Half externally funded
Countryside Advisor (Archaeology)	37	funded
Senior Project Archaeologist	37	Externally funded
Archaeology Advisor	37	
Senior Project Archaeologist	37	Externally funded
County Archaeologist	37	

Key Performance Indicators / Standards

- Shared indicators with Planning (e.g. Development Management: NI 157a; 157b; 157c)
- Environmental Stewardship
- National data standards for Historic Environment Records
- Selective National Inventory data (SHINE: Natural England)
- Accreditation as a Registered Organisation with the Institute of Field Archaeologists - a scheme with national benchmarking and PIs (not yet in place).

Appendix 2

Libraries

The front line delivery of library services is delivered by Customer Services through a service level agreement. The retained library service’s responsibilities cover the purchase and management of stock, the operation of the home delivery service, running a reader development programme to develop reading through reading groups activities and campaigns as well as providing professional support and advice to the front line service. Currently the service is supporting the development of a number of community run library schemes.

Herefordshire Libraries participated in national government’s Future Libraries Programme which reassessed library services to aid improvement and reduce costs. Libraries’ central role in supporting Herefordshire Council’s localities approach was recognised and developing that role is a central part of the service’s work.

Local Authority Employees

Job Title	Hrs per week
Reader Services Librarian	37
Stock Assistant	37
Stock Assistant	34
Assistant Reader Services Librarian	37
Reader Development Librarian	37
Senior Stock Librarian	30
Stock Services Officer	37
Senior Reader Services Librarian	33
Stock Assistant	31
Reader Services Librarian	37
Stock Librarian	30
Driver Assistants	137 hrs

Key Performance Indicators / Standards

- Speed of new stock put into libraries
- New borrowers registered
- Issue figures & trends
- Events-range, attendance
- Visitor figures
- Comments, complaints, enquiries to Stock Services
- Netloan figures % take up

Appendix 2

Sports Development and Physical Activity

Similar to arts development there is a mix of commissioning, enabling and development. The work is very closely linked to the objectives of the Sports Partnership Herefordshire and Worcestershire, which has a sub-regional remit. Both have a strong emphasis on health and well being, whether tackling obesity, keeping older people mobile, and engaging children and adults in fitness. The service holds the commissioning agreement with Halo Leisure and works closely with them to deliver health agendas and facilities based leisure, however their work often takes them beyond static sites with a range of other programmes based on raising participation in sport and physical activity and prevention of future health needs, e.g. current walking campaign.

The service works closely and supports the many voluntary sports clubs in the county and also works with other voluntary groups such as Age UK enabling training for volunteers to increase the voluntary workforce who deliver sport and physical activity. The service receives funding to run specific regional or national campaigns to enable local involvement and expand the range of opportunities available to the local community.

Local Authority Employees

Job Title	Hrs per week	Externally funded
Sports Administrator	22.5	
Sports Development Officer	37	
Senior Sports Development Officer	37	
Outreach Exercise Consultant	4	
Physical Activity Instructor	Casual	
Specialist Activity & Training Development Officer	37	
Lets Walk Co-ordinator	37	Externally funded

Key Performance Indicators / Standards

- Increase participation by adults & young people in sport & physical activity to improve health
- Train / enable volunteers to deliver health related exercise in their own communities
- Increase the number of 14 – 25 year olds taking part in sport & physical activity
- Develop the range of sport & physical activity opportunities throughout the County

Appendix 2

Herefordshire Music Service

The Music Service has gone through significant changes to address reducing grant funded income and to try and reach more children. They currently receive external funding of £260,000 per year, which is used to subsidise whole class instrumental lessons, and provide brokerage between individual learners, schools and tutors, as well as other music support functions. The service offers courses and classes in schools based on individual and paired instrumental lessons (for 32 weeks); wider opportunities/whole class instrumental lessons (for 32 weeks); music centre bands and orchestras (for 19 weeks); numerous vocal projects and various other projects and course. It also offers CPD (continuous professional development) for class teachers and has an extensive instrument hire service. An income is generated for these services as part of traded services.

From September 2012 it is likely that funds will be accessed via a local Music Hub working with like minded providers in the county. This does create some uncertainty over the future funding.

Local Authority Employees

Job Title	Hrs per week	Externally funded
Head of Herefordshire Music Service	37	
Access and Partnership Manager	37	
Office Manager and Resource Co-ordinator	37	
Finance Officer and Ensembles Co-ordinator	30 (term time)	All posts are funded through a mixture of grant funded income and traded service income
Data and Resources Assistant	25 – 35 (term time)	
Music Centre Tutors (16 tutors)	Approx 60 hours per year per tutor	
Wider Opportunities Tutors x 5	11 - 14	

Note: all individual and paired instrumental/vocal teaching is now provided by an ‘Approved Contractor Register’ of Accredited Teachers (self employed). These number approximately 54 tutors.

Key Performance Indicators / Standards

- LA Schools signed up to SLA
- Academies signed up to SLA
- Pupils participating in individual/paired instrumental lessons
- Primary Schools engaging in Wider Opportunities (whole class instrumental lessons)
- Pupils engaged in Herefordshire Youth Music (Music Centre)
- Improvement in Quality Assurance systems and the Quality of Teaching and Learning in Individual/Paired instrumental lessons and also in Wider Opportunities lessons

Appendix 2

Countryside

The countryside service has a dual function of preserving the countryside asset whilst also enabling recreational use and access by the public. The site management and maintenance functions are largely conducted by Rangers, whilst other officers conduct the wider management, promotion and strategic functions of the service.

The key sites are:

- Queenswood Country Park which has over 350,000 visitors each year. There are a number of properties at Queenswood with a shop / visitor information run by the National Trust and an independent café; other facilities accommodate the staff.
- Bodenham Lakes which has limited access because the restrictions of use
- The only public canoe launch sites in the county, in Ross and Kerne Bridge. An estimated 40,000 canoeists use these sites every year
- Newton Coppice and Belmont Pools which are both semi urban sites on the edge of Hereford
- Dinedor Camp which is a scheduled ancient monument

The service also looks after a number of local nature reserves, picnic sites and commons. The strategic function is very much linked to the development and management of open spaces which has been supporting the Local Development Framework.

Local Authority Employees

Job Title	Hrs per week
Countryside Ranger	37
Countryside Ranger (vacant)	37
Countryside Ranger	37
Interpretation & Promotion Officer	22.5
Parks, Countryside & Leisure Development Manager	37
Principal Countryside Officer (Strategy & Development)	37
Principal Countryside Officer (Operations)	37
Parks & Leisure Commissioning Manager (in part)	37
Principal Leisure and Recreation Officer (in part)	37
Cleaner	21
Custodian	5
Technical Support Officer	18.5
Interpretation & Promotion Officer	18.5
Countryside Community and Education Officer (vacant)	18.5

Key Performance Indicators / Standards

- User Satisfaction – Queenswood Country Park
- Environment outcomes
- Green Flag for Queenswood
- Appropriate management of Designated Sites
- Activity/events/education programme

Appendix 2

Positive Activities and Outdoor Education

As part of the youth service Positive Activities engages young people in activity that will support their development needs. This involves intervention work with the young people to find out areas of interest and benefit. This is beyond the school provision and tends to be based on leisure and culture. Activities are facilitated through youth centres and activities provided by the voluntary sector. The activity builds self esteem, confidence, integration and skills that can have a positive effect on family and education life.

Outdoor Education involves the operation of two – the Cannon Centre and Bodenham Lakes. The service also delivers the Evolve database/registration for off-site activities provided by schools. This element also gives advice to schools, head teachers and governors on the health and safety aspects of their off-site activities as well as organising and delivering training for Education Visit Co-ordinators in schools and within other organisations. This is a statutory responsibility.

Local Authority Employees

Job Title	Hrs per week
Assistant Youth Workers (North)	58
Community Youth Worker (North)	148
Assistant Community Youth Worker (North)	16.5
Assistant Youth Worker (South)	52
Assistant Community Youth Worker (South)	28
Community Youth Worker (South)	74
Trainee Youth Worker (Central)	37
Senior Youth Worker (Central)	74
11-19 Facilities Administrator (Central)	37
Duke of Edinburgh's Award Development Officer	18.5
Senior Youth Worker - Extended Activities	37
Warden (Canoe Centre)	7.83
Outdoor Education Advisor	22
Outdoor Education	37

Key Performance Indicators / Standards

- Number of contacts made as a percentage of the 13-19 population
- Number of participants (those attending regularly) as a percentage of the 13-19 population
- Number of targeted youth support cases undertaken from those participants
- Number of accredited outcomes achieved by those participants.

APPENDIX 3 Cultural Trusts

Areas Operating Trust Model

Name Of Organisation And Date Of Incorporation	Services Included	Number Of Staff	Plans For The Future	Reasons For Transfer	Model	Savings Achieved
Vivacity Peterborough May 2010	Theatre, Museum and Art Gallery, Public libraries and sports centres	300	Enhancement of museums, renovation of swimming pools and fitness centres	Budget reduction within the Authority	Trust and trading company	NNDR
Luton Cultural Services Trust March 2008	Arts, Libraries and Museums plus outdoor events.	275		Budget reduction within the Authority	Trust and trading company	NNDR
Wigan Leisure and Culture Trust 1999	Arts, Libraries, Theatre, Sports and leisure, Museums, Tourism, Cemeteries, open spaces	639		Budget reduction within the Authority	Trust and trading company that runs the catering and ground maintenance	NNDR principally from sports centres; VAT exemptions increased income from more commercial approach to income generation; rationalising of staff.
Bay Leisure Ltd 2009	Leisure Centre	139	Looking at transfer of indoor leisure facilities and leisure centres into a Trust.	Budget savings	Trust and trading company	VAT, NNDR

Glasgow Life April 2007	Arts, events, libraries, museums, music, sports, social renewal, economic strategy and infrastructure, corporate services.	2414	Transfer of golf and outdoor recreation	Budget savings	Trust and community Interest company (trading company).	NNDR savings and optimise the financial benefits and provide clear service improvements. Other benefits include the VAT savings and ability to source funding only available to charitable bodies.
Rochdale Link4Life April 2007	Arts, heritage, entertainment, fitness and health, sport and Leisure and tourism. Local studies library at Touchstone Heywood and Middleton.	197	New Leisure Centre	Budget savings that are still ongoing	Trust and trading company.	Capital efficiencies via sport and leisure and savings in education in the arts and heritage service; reduce volunteer programme and reduction in frontline posts.
Woodhorn Trust August 2010	Modern record office, Berwick record office, museums, Northumberland archives and education outreach service and support to community heritage groups.	68	Growth of sites and improving activity around education and community development.	budget savings	Trust	Savings on business rates for Berwick museum.

Value of Cultural Services

Promote self reliant local communities

- In 2004 a government study found that, 'cultural activities can be highly effective in improving the skills and confidence of individuals and improving the quality of life and the capacity of communities to solve their own problems'.
- Nearly three-quarters of local residents believe that investing in the historic environment makes local areas more attractive; 61% say it makes an area a better place to live.
- 79% of the population agrees that the arts should receive public funding. 82% of British people want to have a museum or art gallery in their local town or city.
- Research indicates that what the public values about museums is to support learning, especially informal, family and life-long learning, as a social and recreational space, and for shaping a sense of self and society through preserving cultural heritage and building understanding of other cultures.
- Museums and libraries are assets that build social capital in a community, strengthening bonds within a community.

Raising standards for children and young people

- Bookstart children record consistently higher levels of language and literacy development than non-Bookstart children, 20% superior scores in listening and speaking skills and linking sounds and words, 19% for reading and 12% higher for writing.
- There is compelling evidence that people who engage in positive activities as children are 50% more likely to have good qualifications later in life.
- 77% of children who read for longer than an hour at a time are above average readers.
- 55% of children taking part in Herefordshire Council's Children's Plus Survey reported that using their local library helped them to read better, 32% felt it helped them do better at school, 22% indicated that they used the library to make friends, 35% to join in and try new activities and 53% to learn and find things out.
- The direct results of a Herefordshire-based 'English as an Additional Language' singing project in a primary school has led to greater social cohesion in school and the wider community, improved focal and listening skills in the classroom, a big improvement in the pupils' use of language, greater individual active engagement in the many music songs, games, rhymes and dances, music and singing a common language accessible to all.
- Young people engaged in positive activities during their recreational time are far less likely to get involved in substance misuse or crime and show signs of antisocial behaviour.

Create a thriving economy

- Arts and Culture are central to tourism in the UK, worth £86 billion in 2007, 3.7% of GDP and directly employed 1.4 million people.
- Every £1 invested in the arts produces £2 for the economy.
- The collective turnover for the creative sector in Herefordshire in 2008 was £3.5 million and employs an additional 128 employees (excluding the self-employed).
- In excess of £143,000 worth of contracts were awarded to Herefordshire firms as a result of The Royal National College for the Blind hosting the World Blind Football Championships in August 2010.
- The craft industry contributes £3 billion Gross Value Added to the UK economy each year.
- Research shows potential for a further 63% growth within the UK contemporary craft market as well as strong aspirations and opportunities in the craft sector for increased export activity.
- At Herefordshire Art Week (h.Art) sales in 2010 were £89,107, making a 7% increase on 2009 sales, and recorded visitor numbers of 20,310. Feedback from participants and anecdotal evidence suggest that visitors from further afield outside the county were planning holidays in Herefordshire to coincide with h.Art.

- A 2009 report commissioned by HSBC asked 500 entrepreneurs and business decision-makers what they thought business in Britain should be about: world class creative industries were the most important priority, at 56.5%, followed by 46.2% emphasising the need for a top class education and training system.
- Our history, heritage and culture are overwhelmingly the most popular reasons for visitors to come here: 33 million people visited the UK in 2008, 11 million on holiday.
- Heritage tourism contributes over £20 billion to UK GDP, more than advertising or the car industry.

Improve health care and social care

- Regular physical activity such as walking can prevent development of type 2 diabetes, lowering the risk by 26-60%. (Herefordshire Council is part of the National Walking for Health Initiative).
- Books on Prescription was launched by Herefordshire Libraries in December 2010, for people suffering from mild to moderate mental health problems, chronic pain conditions or bereavement. In the first 7 months 1241 books had been issued. Comments from library users show that books can often make a real difference to the bereaved and those suffering from mental health problems.
- There is evidence to suggest that participants in West Midlands Culture Programme for London 2012 received a psychological boost – they enjoyed themselves (94%), they felt part of something (91%), their confidence was boosted (81%), that they made new friends/contacts (68%) and they discovered something they liked doing (78%).