

Service Inspection Report

May 2007



Cultural Services

Herefordshire Council

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Service Inspection

This inspection has been carried out by the Audit Commission under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. These principles embody the objectives of our Strategic Plan and Strategic Regulation. They also reflect the principles from *'The Government's Policy on Inspection of Public Services'* (July 2003).

Audit Commission service inspections should:

- focus on public service outcomes from a user perspective;
- act as a catalyst to help inspected bodies improve their performance;
- concentrate inspection work where it will have most impact, so that it is proportionate and based on an assessment of risk;
- be based on a rigorous assessment of costs and benefits, with a concern for achieving value for money both by the inspected organisation and within the inspection regime itself;
- be, and be seen to be, independent of the inspected organisation;
- report in public, using impartial evidence to inform the public about the performance of public services so as to enhance accountability;
- involve collaborative working with other inspectorates and external review agencies to achieve greater co-ordination and a more holistic approach to the assessment of performance by audited and inspected bodies;
- share learning to create a common understanding of performance that encourages rigorous self-assessment and better understanding of their performance by inspected organisations;
- be carried out objectively by skilled and experienced people to high standards and using relevant evidence, transparent criteria, and open review processes; and
- enable continuous learning so that inspections can become increasingly effective and efficient.

We assess services using published key lines of enquiry (KLOEs) to inform our judgements. The KLOEs can be found on the Audit Commission's website at www.audit-commission.gov.uk.

This report is issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.

Summary

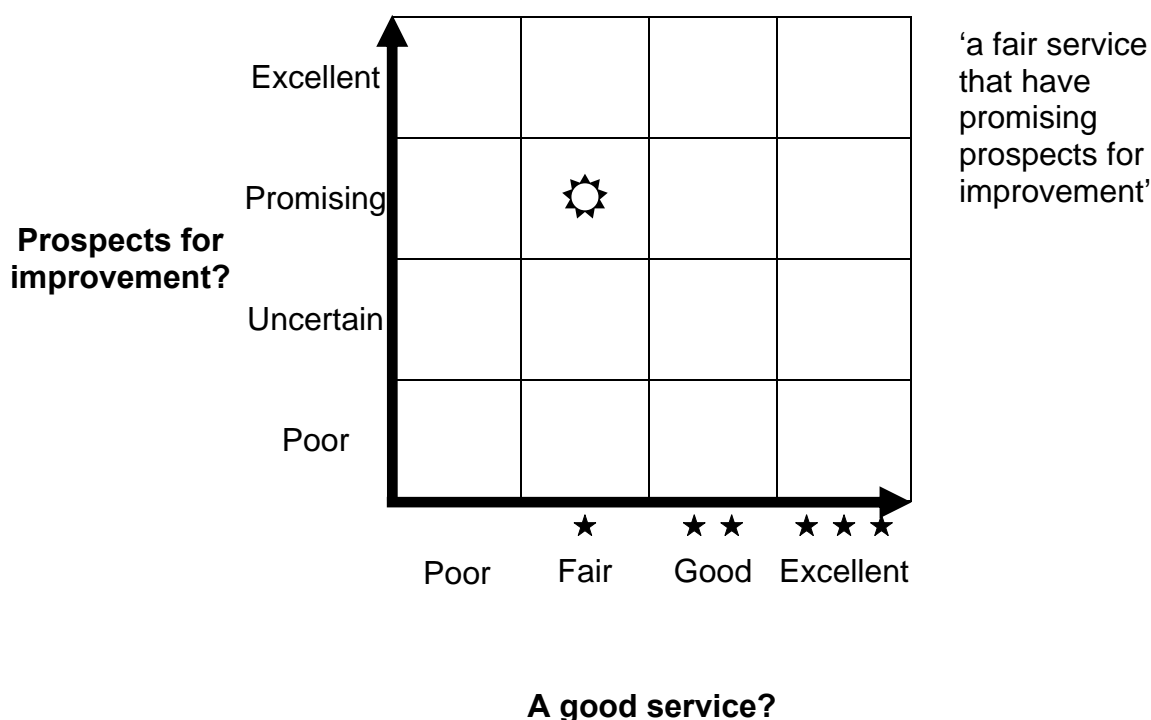
- 1 Herefordshire Council provides 'fair' cultural services that have 'promising' prospects for improvement.
- 2 The Council offers a broad range of cultural services including libraries, sports, tourism and arts development/activities, creative industries, leisure facilities, parks and open spaces, conservation, archives, heritage and museums and tourist information centres. It also supports delivery of the Courtyard Centre for the Arts in Hereford. It spends approximately £7.3 million annually on these services which equates to £40.82 per head of population.
- 3 The Council recognises the potential of cultural services in contributing towards many of its priorities but has not transformed this into clear high level outcome targets. It is developing good intelligence about the cultural needs of the community and ongoing consultation is strong. This is influencing the way cultural services are delivered.
- 4 The Council delivers and enable some positive initiatives to promote access in cultural services but the Council does not always know whether they are effective. Services are good at providing and enabling a range of opportunities aimed at improving quality of life, particularly for children and young people and communities delivering cultural projects. Because local indicators and measures have not been fully developed, it is not always clear how effective cultural services are in enabling access. For example, the Council does not know how successful its concessionary pricing schemes are within cultural services.
- 5 Integration of diversity into cultural services is developing. The Council achieved level one of the Equality Standard in 2005/06 but is striving to achieve level two in 2006/07. It has undertaken a programme of equality impact assessments within cultural services which has led to some service improvements. However, the Council does not have a robust overall needs assessment of minority groups in the county to inform its approach.
- 6 Quality of cultural services is variable. Quality assurance and service specific standards are not in place in all areas and the standard of cultural buildings is mixed. This is reflected by national indicators which show varied perceptions and reported usage from residents. Value for money is not fully integrated into the delivery of cultural services.
- 7 During the last four years a number of cultural services facilities have significantly improved. Improvements include a new and innovative shared facility at Bromyard which integrates a library, leisure facility, tourist information centre and general access point. However, satisfaction and reported usage for cultural services is not improving significantly when compared to other authorities and the Council cannot demonstrate consistent improvements to value for money across its cultural services.

- 8 The Council has significant future plans to improve cultural services. These include a commitment to implementing its strategy towards developing shared services incorporating new library facilities at Hereford and Ledbury. Other planned improvements include a new country park visitors' centre; a £2.4 million heritage lottery award to develop the Wye Valley as an area of outstanding natural beauty; and investment in local sports and play facilities.
- 9 Cultural services benefit from an experienced, motivated and well trained work force and have a good track record of delivering improvements through partnership working. Commitment and leadership are also positive.
- 10 The Council has ambitious plans to develop corporate capacity. These include the Herefordshire Connects business transformation project which aims to gain significant revenue savings over the next three years in order to sustain and develop services.
- 11 Some weaknesses exist in performance management within cultural services. Improvement plans are fragmented and not prioritised and outcome measurements and targets not fully developed. This extends to the Halo trust which delivers the operational management of leisure facilities.

Scoring the service

- 12 We have assessed Herefordshire Council's cultural services as providing 'fair' one-star services that have 'promising' prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 13 Cultural services are fair, one-star services because:
- they are developing good intelligence about the needs of the community and ongoing consultation is strong - this is informing service delivery;
 - they are delivering and enabling a number of positive initiatives to promote access, and internet access is developing well;
 - they are good at providing and enabling a range of opportunities aimed at improving quality of life, particularly for children and young people and communities delivering cultural projects;

¹ The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

8 Cultural Services | Scoring the service

- the integration of diversity into cultural services is developing; and
- national indicators reflect varied perceptions and reported usage from residents.

14 However:

- performance measurement arrangements do not enable the Council to fully gauge the impact of cultural services;
- the effectiveness of the Council's use of pricing to promote access is unclear;
- value for money is not fully integrated into service delivery within Herefordshire's cultural services; and
- customer-facing service specific standards are not in place in most parts of cultural services and quality assurance is not consistently applied.

15 Cultural services have promising prospects for improvement because:

- the Council has made a number of facility and access improvements within cultural services during the last four years;
- significant future plans exist to improve cultural services; these include a commitment to implementing its strategy towards developing shared services incorporating new library facilities at Hereford and Ledbury;
- the Council has sound plans to deliver short-term efficiency savings and is good at attracting external funding for cultural services;
- human resource capacity and partnership working is strong within services; and
- the Council is developing corporate capacity including the Herefordshire Connects business transformation project and the forming of a new public service trust.

16 However:

- satisfaction and usage for cultural services is not significantly improving when compared to other councils;
- the Council cannot demonstrate consistent improvements to value for money across cultural services; and
- improvement plans are fragmented and not prioritised and outcome measurements and targets not fully developed - this extends to the trust which delivers the operational management of leisure facilities and the Courtyard arts venue.

Recommendations

- 17 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the Council. In addition, we identify the approximate costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context the inspection team recommends that the Council should do the following.

Recommendation

R1 Develop local performance measurements and targets for cultural services which:

- *make the most of existing information;*
- *measure the effectiveness of the services in delivering key corporate drivers relating to cultural services;*
- *enable the Council to assess, target and improve value for money;*
- *measure the effectiveness of tourism;*
- *can be integrated into service and other improvement plans; and*
- *are used as key drivers for any partnership agreements.*

The expected benefits of this recommendation are:

- a clearer focus for cultural services;
- improved performance management of cultural services whether delivered directly or by partners; and
- better targeting of cultural resources towards areas of maximum impact.

The implementation of this recommendation will have high impact with low costs. This should be implemented so that new indicators and targets can be included into the 2008/09 service and improvement plans.

² Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

Recommendation

- R2 Clearer project and improvement plans within cultural services which:*
- *are SMART (specific, measurable, achievable, resourced and timely);*
 - *are prioritised and agreed by councillors and senior officers;*
 - *clearly set out desired outcomes;*
 - *are informed by corporate plans and initiatives particularly the new Cultural Strategy, Herefordshire Connects and the Edgar Street Grid project; and*
 - *dovetail into the improvement plans of partners.*

The expected benefits of this recommendation are:

- a clearer steer on priorities for cultural services improvements;
- measures in place to ensure projects are delivered on time; and
- direction for partners.

The implementation of this recommendation will have medium impact with low costs. This should be implemented by the start of the financial year 2008/09.

Recommendation

- R3 Improve its approach to procurement within cultural services with particular reference to the Halo and Courtyard trusts which:*
- *is informed by a clear vision supported by medium and long-term plans for the facilities;*
 - *sets out desired investment levels;*
 - *enables partners to plan for the medium and longer term;*
 - *where possible, transfers some key risks of running cultural facilities to partners;*
 - *incorporates non-financial strategic targets (derived from recommendation R1); and*
 - *includes a robust approach to assessing value for money which is informed by best practice and comparative analysis.*

The expected benefits of this recommendation are:

- clearer strategic direction for the Halo and Courtyard trusts;
- improved performance management;
- transfer of risk from the Council to partners; and
- enhanced value for money for local residents.

The implementation of this recommendation will have high impact with low costs. This should be implemented by the start of the financial year 2008/09.

Report

Context

The locality

- 18 Herefordshire lies in the south-west corner of the West Midlands region, bordering Wales. The county of Herefordshire covers an area of 180 square kilometres and has a population of 177,800 people, of which 2.5 per cent are from minority ethnic communities.
- 19 Herefordshire is a predominantly rural county, and is very sparsely populated. The main urban centre is the city of Hereford, with the five market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington being the other principal centres. Over half of the population live in rural areas. Herefordshire has limited access to the motorway network, and all other main roads in the county pass through Hereford city.
- 20 The 2004 indices of deprivation show that Herefordshire lies 192nd out of 354 local authority areas; however, there are areas of poverty and deprivation in the county. Seven of the county's 'super output areas' are in the 25 per cent most deprived areas in the country, and much of the county falls within the 10 per cent most deprived nationally in terms of access to services.
- 21 Herefordshire has an older age structure than England as a whole. There is net outward migration of young adults, and the county is a popular destination for older adults re-locating from England's south-east. The proportion of residents over 60 years of age is expected to grow at a higher rate than the national trend, and is likely to put pressure on adult social care services in the county. Herefordshire has increasing numbers of migrant workers arriving from Eastern Europe and Portugal – an estimated 3,000 in 2005 – principally to work in manufacturing and agriculture. Although much of this work is seasonal, some migrant workers have settled in the county.
- 22 Although unemployment in the county is low, average incomes are much lower than those for the region and for England as a whole. The wholesale, retail and repair trades sector employs the most people in Herefordshire followed by manufacturing and health and social work. A higher proportion of the workforce is employed in farming, forestry and fishing in the county, compared with regional and national employment trends. Herefordshire has a high rate of self-employment, and many small to medium-sized businesses.
- 23 The population of the county as a whole is healthier than nationally or regionally, although in more deprived areas health is poorer. Overall crime rates are significantly lower than regional and national averages, and have fallen steadily, although in some areas of Hereford city there have been increases in crime and disorder.

The Council

- 24** Herefordshire Council was formed in 1997 as a result of local government re-organisation. At the time of inspection it comprised of 58 councillors: 21 Conservatives, 17 Independents, 16 Liberal Democrats, and 4 Labour. An executive leader and cabinet style system governed the business of the Council at this time where the cabinet had 10 members. Following the May 2007 elections there are 32 Conservatives, 12 Independents, 10 Liberal Democrats, 2 Labour and 2 'other'.
- 25** It has five scrutiny committees: Adult Social Care and Strategic Housing; Children's Services; Community Services; and, Environment and Health. A Strategic Monitoring Committee scrutinises Policy and Finance matters and co-ordinates the work of these committees. Cultural services fall under the remit of the Community Services Scrutiny Committee.
- 26** The Council employs 6,500 staff, which includes those working in schools. The Council's net revenue budget for 2006/07 is £120 million.
- 27** Herefordshire's 2006/07 direction of travel assessment scored the Council as improving adequately. Overall, the Council is maintaining its performance and has made improvements in priority areas. The Council has worked effectively with its partners to reduce crime and improve the health of children and young people.

The Council's cultural services

- 28** Cultural services in Herefordshire are made up of:
- sports development, leisure centres, sports pitches and playing fields;
 - parks, countryside, open spaces and rights of way;
 - museums and galleries;
 - libraries, archives, and records;
 - heritage and conservation;
 - theatres and arts; and
 - tourism and events.
- 29** Cultural services are spread among three council directorates but fall largely within the remit of economic and community services, which sits within the adult and community services directorate. The archives and modern records service sits within information services, which are part of the corporate and customer services directorate. The conservation service, whose role is to protect, promote and enhance the natural and historic environmental heritage of Herefordshire, is part of the planning service, which sits within the environment directorate.
- 30** Sport and leisure facility management is delivered through the Halo trust, a not-for-profit organisation which was created by the Council in 2002. Similarly, aspects of the arts services are delivered through a trust in the form of the Courtyard Centre for the Arts in Hereford, which houses a theatre and workshop space as well as delivering arts outreach in local communities.

- 31** In 2006/07 the Council's net budget for culture and leisure services is approximately £7.3 million. The service directly employs 328 staff and additionally 427 staff are employed by Halo and at the Courtyard. Services are also delivered through a number of externally funded initiatives.
- 32** The Council's cultural services are responsible for providing:
- 8 leisure centres; 5 swimming pools; 59 play areas;
 - countryside sites, including the Queenswood country park; 3,358km of footpaths, with 4,415 individual paths;
 - five tourist information centres;
 - sports development and sports event programmes aimed at encouraging participation in sports at all levels;
 - community arts and events;
 - creative industries programme;
 - ten static and two mobile libraries; one schools mobile library; and the archives and records services;
 - the Courtyard arts centre and theatre; six heritage centres/museums; and a shared mobile museum; and
 - a number of outreach activities that are not based around council facilities.

How good is the service?

What has the service aimed to achieve?

- 33 The Council has clear aims for cultural services and there are good links to local, regional and national priorities. However, the Council has not transformed its aims into high level outcome targets for cultural services.
- 34 The most recent community strategy was produced in 2006 and has a vision of a Herefordshire in which 'people, organisations and businesses working together within an outstanding natural environment will bring about sustainable prosperity and wellbeing for all.' Consultation around the community strategy identifies access to sport and recreational facilities as a key issue for local people, and the potential contribution of cultural services is recognised in most of the strategy's key themes.
- 35 The LAA (Local Area Agreement) has drawn its outcomes and high-level indicators from the Herefordshire Community Strategy. Cultural services feature in a number of areas of the LAA, including access to services, quality of life indicators based on perceived improvements to services, and physical activity levels among children. Cultural services are prominent in the 'safer and stronger communities' theme against the aim of enhancing wellbeing and community cohesion through engagement in cultural activities.
- 36 Although the Council's corporate plan and annual operating plan reflect the themes of the community strategy, cultural services do not feature prominently in these plans, nor is their contribution to current priorities made clear, with the exception of a number of access measures under the theme of 'sustaining vibrant and prosperous communities.'
- 37 The Council's cultural strategy, produced in 2004, does not reflect the community strategy. It has not yet been revised to realign it with the community strategy, although this work is planned to be completed by the end of 2007. The cultural strategy is a key driver for Cultural Consortium partners, and sets out a vision for Herefordshire in 2014, with increased visitor numbers, volunteer involvement, and local people's participation in cultural activities; new and updated leisure and cultural facilities; improved health through outdoor activities; thriving cultural sector businesses; and facilities linked by public transport. The cultural strategy aims to:
 - ensure that culture and leisure are at the heart of the county's development;
 - encourage participation in culture and leisure by breaking down barriers to involvement, and meeting a wide range of needs and aspirations;
 - improve quality and variety of experience for visitors and local people;
 - promote cultural distinctiveness and diversity of the county; and
 - sustain and grow cultural assets through attracting additional resources.

- 38 Council plans and strategies have some good links to relevant regional plans. The Council's objectives for developing tourism are linked to the West Midlands Regional Tourism Strategy, and its Economic Development Strategy links to the Regional Economic Strategy. Links are also made across Council strategies, for example cultural services are identified as key to the delivery of specific aspects of the Council's Children and Young People's Plan.

Is the service meeting the needs of the local community and users?

Access, customer care and community focus

- 39 User needs are informing decision-making within cultural services. The Council has developed good intelligence about the needs of the community. It completed a wider supply and demand analysis of sport and leisure facilities as part of its feasibility work prior to building a new swimming pool in Leominster in 2004. Substantial work was undertaken to identify the needs of communities in the main market towns which informed the new shared service facilities at Bromyard and Kington. Recently, the Council completed a comprehensive needs assessment for parks, open space, playing pitches and playgrounds which conform to statutory open space planning guidelines (PPG17). However, the Council has some gaps in its knowledge about the community particularly around diversity, partly due to the numbers of different groups being so small that data accuracy can not be guaranteed. Assessing need is now part of planning for cultural services and is starting to have an impact on informing service delivery.
- 40 Ongoing consultation and community engagement is strong within cultural services. All parts of the services have user forums which are used to inform service delivery. A particularly good example is the Halo trust which clearly links its user forums and customer comments into its operational service delivery of leisure facilities, influencing programming and opening hours. Similarly, recent consultation around mobile library routes engaged with users and the results used to reconfigure the service. This helped ensure that the needs of residents who find it difficult to leave their homes would still be met. The Council consulted closely with a local interest group regarding the new Leominster pool which resulted in the group raising £250,000 towards the capital costs. Consultation is actively sought and is influencing many aspects of cultural services from major capital proposals, opening hours and programming.
- 41 Residents have a good range of ways access to cultural services but the Council does not always know how successful they are. These include working with the Disability Access Group to improve access for blind people, outreach services for people in the rural parts of the county including sports and arts development, mobile libraries and a mobile museum. However, the Council does not always routinely measure the impact of its projects and initiatives.

- 42 Access to cultural services through ICT is developing well. The Council has information about all the services on its website which is well presented and up-to-date. The 'Visit Herefordshire' website has a good level of interactivity; for example potential visitors can book accommodation on line. Future plans (from March 2007) include on line bookings for Halo trust facilities such as fitness classes, and badminton courts. However, the websites are not fully developed for people with visual impairments or for people who may speak different languages. This means that, although ICT is improving access overall, the Council cannot be confident that it is addressing all access needs, and so some users or potential users may find it difficult to access cultural services.
- 43 Marketing of cultural services is fragmented and not always fully evaluated. Marketing budgets are held by individual services or by the trust partners for leisure facilities and the Courtyard arts centre and there are few opportunities for economies of scale. Although there are individual marketing plans in place they are not strategic in approach and do not link into key target groups in all areas. Evaluation of marketing initiatives takes place within tourism but not consistently across cultural services. This means that there is a risk that the Council is not making the most of its marketing resources and is not clear about the effectiveness of the various initiatives that are in place.
- 44 Residents wishing to access cultural services encounter some barriers. The library service does not fully meet the Public Library Service Standards relating to access. The library at Ledbury does not comply with the requirements of the Disability Discrimination Act. Child care provision within leisure centres is inconsistent with some having dedicated crèche provision open 5 days a week, the new pool at Leominster which uses the adjacent Sure Start facility open 3 days a week and others such as the new Bromyard centre having no provision. Opportunities for residents with young children to access these facilities vary in the county. The national indicator for accessibility of public rights of way in Herefordshire shows that 53 per cent were accessible in 2005/06 - amongst the worst 25 per cent of councils nationally and below the family group average of 69 per cent. Although not all pathways are accessible the Council does focus on the quality of those pathways which are. These weaknesses reduce opportunities for residents and visitors to access services.
- 45 The effectiveness of concessionary pricing to promote access within cultural services is unclear. Concessions are targeted at individuals and do not enable dependants to gain reduced pricing. Pricing policies is not consistently evaluated. For example usage by those from disadvantaged groups entitled to concessionary pricing is measured against the total eligible to arrive at the proportion of those actually reached. The Council is not fully clear on how it wishes to use pricing to promote access or how effective current arrangements are across cultural services.

- 46 Service specific standards for customers are not in place in most parts of cultural services. Although the Council has corporate customer service standards it only has service specific standards within Apart from the Halo trust which manages most of the leisure centres, none of the other elements of cultural services has specific service standards which are promoted to and informed by users. Services work to corporate customer service standards, and have internal operational standards but do not have specific service standards relating to their area of work. This means that customers cannot be sure what standard of service they can expect from key aspects of cultural services including playgrounds, parks, libraries the museums and outreach activities.

Diversity

- 47 Cultural services are developing a good understanding of diversity in the county but there are some gaps. Numerous initiatives are in place aimed at minority groups. For example, computer access points within libraries now have settings for foreign languages, in response to migrant workers wishing to use facilities to keep in touch with their families through the internet. Work with traveller children through the library service, enables them to access books and toys, with a view to enhancing their chances of improving literacy; and, initiatives aimed at older people exist throughout cultural services. However, the Council does not have robust data about people from BME communities living in Herefordshire to inform the planning, delivery and improvement of its services. As a result, the Council cannot be confident that cultural services are fully meeting the needs of the county's diverse communities.
- 48 The integration of diversity into cultural services is developing well. The Council achieved level one of the Equality Standard in 2005/06 and is striving to achieve level two in 2006/07. It has undertaken a programme of equality impact assessments within cultural services. This programme led to some service improvements including the availability of information in various languages in the library service, the provision of sensory and audio equipment at heritage sites, leisure passes for looked-after children and arts projects targeted at older people. The importance of diversity has been recognised corporately and is beginning to influence the delivery of cultural services.

Service outcomes for users and the community

- 49 Performance measurement arrangements do not enable the Council to gauge the effectiveness of cultural services. The Council has not developed sufficient local indicators to assess the performance of cultural services in delivering key drivers such as health, physical activity, access and social inclusion, and the economic benefits of cultural services.

- 50 External quality assurance is inconsistently applied to cultural services in Herefordshire. The Halo trust has incorporated the national Quest quality assurance scheme for leisure facilities and has been successful in gaining accreditation for all the centres it manages. Similarly the museum in Hereford has MLA (Museums Libraries and Archives) accreditation and the Council has also enabled many of the museums run by voluntary organisations to gain accreditation. The Council has been successful in gaining the education 'Artsmark' accreditation for 20 per cent of the county's primary schools and 43 per cent of secondary schools; this performance is amongst the top 25 per cent of authorities nationally. The tourist information centres adhere to the Heart of England Tourism quality assurance programme. However, the library service performs poorly against national public library service standards and the parks, play areas and sports development do not work towards any form of accreditation. External quality assurance has not been fully implemented which means that the Council has not set standards either to deliver or aspire to in some parts of cultural services.
- 51 The quality of cultural facilities is variable. The Council has introduced two innovative shared facilities at Bromyard and Kington, the former of which contains a leisure facility, library, tourist information centre and general access point. This is enabling the delivery of a good range of services in comparatively small towns with longer opening hours than could be offered from individual facilities. However, this model has yet to be completed in other market towns in the county. Some of the facilities are comparatively new and of a high standard such as the Courtyard arts centre and Leominster swimming pool but others are older and of much lower quality such as the leisure centre and main library in Hereford. The 2006 PPG17 study which included substantial consultation indicates positive perceptions of park and gardens but average perceptions about outdoor facilities for young people, play areas and amenity green space. Overall, this reflects significant differences in the standard of cultural services provision.
- 52 National indicators reflect mixed perceptions and reported usage from users and residents. National indicators for satisfaction in 2006/07 are above the national median for sport and leisure facilities, museums and galleries and arts facilities and venues. However, satisfaction is below the median for libraries and parks and open spaces. User satisfaction is generally high, reflected by national indicators and the Council's own surveys, but non-user satisfaction is low and ranges between 28 and 32 per cent of those surveyed being satisfied with the various aspects of cultural services. National indicators for usage in 2006/07 are above the median for sport and leisure facilities; theatres and concert halls; and museums and galleries. However, for libraries, and parks and open spaces, reported usage is amongst the worst 25 per cent of councils nationally. The 2006/07 Sport England Active People results show that the percentage of adults taking regular exercise and people volunteering in sport is slightly above the national average. Perceptions and engagement with cultural services in Herefordshire from residents reflect an average overall performance when compared to other authorities.
- 53 The Council agreed two areas of focus with inspectors; economic vitality and quality of life for local people.

Economic vitality

- 54** The Council has clear ambitions regarding cultural services contributing to the economy through tourism. The tourism strategy (2002/07) sets out a clear vision of 'Herefordshire being a recognised leading rural destination'. The strategy was produced in consultation with local businesses and other stakeholders and focuses on different market segments of older people including 'affluent greys' and 'social greys'. It sets out an ambitious vision of how tourism will look in Herefordshire in 2007 and its potential contribution to economic development. In 2006 the Council enabled the formation of a Destination Management Partnership to move tourism beyond 2007 in the county.
- 55** Tourism accounts for a significant part of the local economy but it is not clear whether this is improving. A 2004 Heart of England Tourism economic impact study showed that tourism contributed over £143 million into the local economy in Herefordshire. However, it also showed that between 2002 to 2004 visitor numbers remained the same at approximately 4.6 million per year, overnight visits declined, and there was no significant change in spend per head. Recent data is more positive with a growth in accommodation and an increase in the amount of overnight stays. Local attractions such as Queenswood Country Park, Eastnor Castle have reported increases in visitor numbers. However, data on the overall economic impact of tourism since 2004 is not yet available.
- 56** The Council has delivered and enabled some positive initiatives and improvements to promote sustainable tourism. Two festivals in 2006 showed significant impact: the Food Festival had 5,500 visitors and the Walking Festival attracted participants from outside the county. Creative industries are encouraged and promoted through ongoing support by the Council. Following a three-year Creative Industries programme ending in 2005 the majority of businesses involved achieved 'business improved' status. The Council continues to support creative industries through funding, along with the Arts Council and increased investment from the sector itself.
- 57** Significant external funding has been secured for tourism. Between 2002 and 2007 it has secured over £1.8 million of external funds for projects connected with green tourism, tourism enterprise project and slow food tourism. £1.3 million of external funding has also been secured for the creative industries programme.

Quality of life for local people

- 58** Cultural services have a broad programme of initiatives aimed at improving quality of life but this is not always informed by a strategic approach. Cultural services do not have any local performance measures for quality of life, making the impact of these initiatives unclear.

- 59 Cultural services are good at providing a range of opportunities aimed at improving the quality of life of children and young people. To support literacy there are various events held at libraries and the 'Bookstart' initiative, delivered through nurseries and childminders has been linked nationally with improved reading among Key Stage 2 pupils. A wide range of sports and arts development activities are available both in the school holidays and during term time. For example the Herefordshire Youth Games was attended by 570 pupils in 2006 with representatives from every secondary school in the county. To ensure appropriate and safe delivery of children's programmes the Council has rigorous child protection policies and procedures which it applies to cultural services. This includes all services delivered in-house and those delivered by partners including the Halo and Courtyard trusts. Improving opportunities for young people is embedded into delivering cultural services.
- 60 The Council is delivering and helping communities to improve quality of life. It is particularly good at enabling communities to deliver projects within parks and play areas - helping them secure external funding. It has also provided assistance to local museums run by the voluntary sector to work towards accreditation. The Council fully recognises its role as an enabler which is resulting in some positive outcomes for local communities.
- 61 The Council recognises the role of cultural services in delivering opportunities for older people although it is not fully developed. This is reflected in programmes for walking, mobile libraries and its mature exercise referral scheme. However, given the ageing population of the county the Council has not given older people proportionate focus within cultural services.

Is the service delivering value for money?

- 62 Value for money is not an integral part of the way cultural services plan service delivery. The focus tends to be on revenue costs and very little comparative work is undertaken in order to formulate efficiency targets. Cultural services do not consistently use efficiency measures such as cost per user or cost per resident as part of service planning. Procurement decisions are mostly focused on finance - for example there are few non-financial targets built into the Halo trust partnership agreement. Value for money is not developed to the point where it is clear where the Council wishes to position its cultural services in terms of comparative costs and quality of outcomes.
- 63 Headline performance indicators present a mixed picture of value for money within cultural services. Audit Commission value for money profiles using 2004/05 cost data and 2006/07 performance data look at the relationship between costs, usage and satisfaction. For Herefordshire, this is positive for sport and leisure facilities, theatres and concert halls, and museums and galleries - these all have comparatively low overall costs per head with satisfaction levels and reported usage above the national median. However, it is less positive for libraries and parks and open spaces which have comparatively low costs but have low levels of satisfaction and usage. The Council's spend on tourism is also comparatively high against positive un-audited satisfaction levels. Whilst costs are mostly low, satisfaction and usage is variable.

- 64 The Council's approach to value for money for its leisure facilities is incomplete. It considers that the current partnership with the Halo trust is delivering value for money on the basis of the overall cost being at a similar level to the previous in-house operation with an improved service as a result of facility investment. However, the Council has not adequately factored in the £4 million of its own capital invested to build new facilities at Leominster and Bromyard. It has also not fully considered all of the set up costs for the trust or the fact that Halo is benefiting from tax relief in the region of £400,000 per annum, which means it effectively has approximately 40 per cent more net revenue per annum than the previous operation. The most significant weakness is the lack of benchmarking which compares the operation to other authorities with different management options. The Council does not routinely assess efficiency or look at subsidies per user or per head of population and does not have sufficient information to be sure that its leisure facilities are delivering value for money.
- 65 The Council is making some efficiency savings within cultural services. It is working to revenue budgets which do not factor in inflation which is effectively a saving of approximately 2 per cent. This has been achieved through a departmental staff re-structure and removing areas of duplication within the countryside service function. Efficiency savings have been gained without any adverse impact on services.
- 66 The Council has delivered some business re-processing initiatives within cultural services but does not fully measure the impact on value for money. The Bromyard and Kington shared facilities run more efficiently due to one reception point, utilisation of one building and support staff. However, progress has been slow in other areas particularly in addressing the high cost of tourist information centres. Performance management of these new shared facilities does not extend to measuring value for money and the Council is not working to any targets or benchmarks for cost per enquiry or user. Although there are plans for new shared facilities in Ross-on-Wye, Ledbury and Hereford it is likely to be at least five years before this model is embedded and value for money improves across all aspects of cultural services.
- 67 The Council has used scrutiny effectively to improve value for money at the Courtyard theatre and arts centre. The trust has had some financial difficulties particularly in relation to a deficit carried through from the original additional capital works. However, a recovery plan has been monitored through overview and scrutiny with clear financial targets for the trust over a three-year period. The Courtyard deficit is starting to be reduced.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 68 The Council made a number of significant cultural services facility improvements during the last four years. These include a replacement swimming pool and leisure centre at Leominster - un-audited data indicates attendances to be 150 per cent above original Sport England projections; the development of the Bromyard shared services centre - where library book issues have doubled; substantial improvement to Queenswood country park - un-audited data indicates that there were 500,000 visits in 2006; and, the Council is currently completing the final phase of the new museum, resource and learning centre in Hereford which has already resulted in increase usage of the records service. These improvements are visible to users and have resulted in increased usage.
- 69 Access to cultural services has improved. The Council's recent access survey reveals that between 2002/03 and 2005/06, people found it easier to use libraries, sports and leisure centres, and cultural and recreational facilities. Access improvements include the Halo trust introducing an improved concessionary pricing scheme for leisure facilities, an increase in the number of accessible public rights of way, a new mobile museum service and a significant increase in the amount of books and information available in different languages. Although cultural services are not all DDA compliant there has been large scale work undertaken particularly in the leisure facilities, records office, libraries and the Queenswood country park to make services more accessible for people with disabilities. The increasing number of schools achieving 'ArtsMark' and 'SportsMark' has resulted in more opportunities for children to pursue arts and sports interests within school and through extracurricular activities. There has also been a significant increase in the amount of arts and sports development outreach particularly in the rural parts of the county. The Council has made many aspects of cultural services more accessible to the public generally and for more vulnerable groups.
- 70 Working with local communities, and attracting external funding, the Council is successful at delivering cultural improvements. A particularly good example of this is the 'Doorstep Greens' projects, created in some of the county's most deprived communities which provide play and recreation areas for a range of age groups. Local people of all ages were involved in the design and creation of these areas - including in one area the design and construction of a teen shelter involving local young people. These areas are well used and have remained free of graffiti and other damage. Other examples include assisting voluntary sector museum providers to improve accessibility of their facilities and assistance in obtaining grants to various sports clubs and creative arts businesses. Cultural services have enabled significant improvements through partnership working.

- 71 The Council can demonstrate some improvements to value for money within cultural services but lacks outcome measures. There are some examples of improvements through procurement, in particular gaining tax-based savings for the Halo and Courtyard trusts. Reducing revenue expenditure is being reduced in real terms whilst satisfaction is improving. However, the lack of outcome and value for money indicators within cultural services means that they are unable to demonstrate a track record of improving outcomes such as satisfaction, health and quality of life in tandem with efficiency savings.
- 72 Satisfaction with cultural services is increasing but not consistently. Audit Commission satisfaction indicators for 2006/07 show improvement compared to 2003/04 for sport and leisure facilities, libraries, and parks and open spaces. However, satisfaction declined for theatres and concert halls. Overall quartile positions show sport and leisure improved from the third quartile to second quartile (this has resulted in the Council moving to a score of 3 on the 2006/07 CPA culture block from 2), but declined for libraries and arts venues. Cultural services are improving satisfaction at an overall similar rate to other councils.
- 73 Usage of cultural services is improving in some areas but only at a similar rate to other councils. Audit Commission reported usage indicators for 2006/07 show improvement compared to 2003/04 for sport and leisure facilities and parks and open spaces. However, reported usage declined for libraries, museums and galleries and arts venues. Although the quartile position for sport and leisure improved from the worst to the third quartile, reported usage of theatres and concert halls declined from the highest to the third quartile. All other quartile positions were unchanged which indicates that overall usage is improving at a rate similar to the national average.
- 74 The Council's own cultural services performance indicators show a mixed performance. These include a basket of local and national indicators which show that of the 21 comparable indicators in 2005/06 12 improved and 9 did not improve against 2004/05.
- 75 The Council is unable to fully demonstrate whether the economic impact of tourism is increasing. A Heart of England Tourism economic impact study covering the period 2002 to 2004 shows that visitor numbers remain static at approximately 4.6 million per year, overnight visitors declined and there was no significant change in the spend per visitor. Recent local data from visitor attractions and hotels indicates that this is now improving. However, the next full economic impact study is not available until later in 2007 making it uncertain whether the economic contribution of tourism is increasing in Herefordshire.

How well does the service manage performance?

- 76 The Council has clear plans to implement its strategic approach to develop its shared services model within cultural services. A lottery application has been submitted and match funding secured to develop a new library and shared facility in Ledbury. In Hereford, the Council is undertaking consultation as part of a feasibility study for a new shared facility to include a replacement library within the Edgar Street Grid development. There are also clear intentions to develop a shared facility in Ross-on-Wye. The Council is taking appropriate steps to ensure the new facilities are informed by local need through consultation. All of these initiatives involve close consultation with residents with the intention of making significant improvements to quality and access and gaining efficiencies by combining library, customer services and tourist information services.
- 77 Plans to open the new Museum Resource and Learning Centre in Hereford are on track. Phase one of the development has been completed with the final phase planned for completion in autumn 2007. This centre will provide a resource for learning targeting the schools, specialist groups and individuals who want to find out more about the heritage of the county. The development of this facility will also enable the whole of the collection under the guardianship of Herefordshire Council to be stored under one roof when not on display in and around the county.
- 78 The Council is embarking on a number of significant projects to improve outdoor recreation. These include development of the Belmont/Haywood country park to include a visitors centre where the Council has identified funding through planning gain along with a £100,000 grant from Advantage West Midlands to deliver a Countryside Centre. The Wye Valley and Malvern Hills Areas of Outstanding Natural Beauty have received a 100 per cent increase in their Sustainable Development Fund to £100,000 per annum. In addition, the Wye Valley will receive the first part of its £2.4 million Heritage Lottery Award this year for the 'Overlooking the Wye' project, which is to be rolled out over the next three years. These projects are aimed at improving experiences for residents and visitors.
- 79 Major plans to improve facilities for physical activity in Herefordshire are in place. The County Play Strategy has received 'in principle' approval by Play England. This has an indicative investment of £500,000 earmarked for the Council to spend over the next three years. The County Sports Partnership has been allocated approximately £1 million over the next two years for capital and revenue projects across the sub-region. The Council also has a rolling programme of investment in leisure facilities including fitness suites, outdoor pitches and sports halls financed by the Council and its partners. The Council has targets to raise physical activity levels in tandem with facility improvements.

- 80 Cultural services have sound plans to improve efficiency in the short-term. The service budgets for 2006/07 and 2007/08 are based on a 0 per cent increase which is a decrease in real terms. The Council plans to achieve this by through more joined up working with field workers involved with open space management and savings at Ledbury library. Service levels are being sustained with reduced revenue funding in real terms in the short-term.
- 81 Cultural services have solid performance monitoring arrangements. There is a monthly report to the responsible cabinet member focusing on financial information, performance indicators, and progress against projects. This cascades down to meetings with service heads and staff through one-to-one meetings. There are also quarterly meetings with the Chief Executive and Leader. Scrutiny is being used well within to monitor the progress of the Courtyard and is looking at ways of improving all aspects of performance. This is beginning to result in improved financial performance. Performance monitoring has improved within cultural services.
- 82 Some weaknesses exist in performance management within cultural services. Improvement plans are fragmented and it is not fully clear when key initiatives will be in place. It also unclear what the improvement priorities are which means that in the event of unforeseen funding shortfalls, it is difficult for councillors and officers to decide which project it should not take forward. Performance measurement within cultural services is not fully developed. The strategic drivers in the community strategy, cultural strategy and the LAA are not translated into clear outcome measures and targets for cultural services. Measures for key themes such as health, social inclusion and quality of life have not been developed. Performance information already held within cultural services is not fully utilised. For example, information on the use of concessionary pricing schemes, tourism performance and visitors to the Queenswood exist but is not built into improvement planning. This means that improvement plans are not clear and prioritised and not always focused on improving outcomes. Performance management does not enable the Council to fully assess the effectiveness of cultural services.
- 83 The Council's performance management of the Halo trust is under developed. The Halo partnership agreement contains a number of high level objectives around issues such as health and access which have not been informed by a robust baseline position and crucially do not contain any non-financial targets. When forming the trust the Council did not have a sense of how leisure facilities were performing and the level of improvement expected from Halo but was focused on releasing tax-based savings to address investment shortfalls. The strategic management of leisure facilities from the Council's point of view has not significantly improved as a result of Halo. However, internally Halo has sound arrangements for measuring performance through customer satisfaction, Quest and customer comments which link into improvement planning. Some partnership agreements do not specify desired outcomes and contain few targets from which the Council can assess and improve their performance.

Does the service have the capacity to improve?

- 84** Human resource capacity is strong within cultural services. Staff retention is good and recent staff surveys are positive. The annual appraisal system is consistently applied and staff are mostly positive about internal communication. Similarly the Halo trust monitors staff perceptions of working for the trust which are overall positive and improving. Staff from all levels of the organisation are knowledgeable and committed to their services. Councillors also have a strong commitment to cultural services and they are developing a good understanding of the strategic links between cultural services and the Council's priorities. The Council has sufficient human resource capacity within cultural services to deliver improvements.
- 85** Cultural services are effective at attracting inward investment. Recent examples include nearly £600,000 of Lottery funding secured for museum service capital projects between 1998 and 2005; Arts Council funding to support an Arts Co-ordinator post to work with young people; and, significant external funding to assist creative industries. Cultural services are now much more proactive in securing Section 106 (planning gain) funding and recent successes include £280,000 towards a new sports pavilion and £105,000 towards off-site playing pitch provision. The development of a comprehensive PPG17 open space strategy is beginning to result in more effective targeting of planning gain. External funding is enabling the Council to deliver public-facing improvements.
- 86** Partnership working is well developed within cultural services and is enhancing capacity. To improve the overall approach to tourism the Council has recently enabled the development of a Destination Management Partnership (DMP), made up of stakeholders from the public, private and voluntary sectors. Working under the 'Visit Herefordshire' brand the partnership has been successful in obtaining external funding of £30,000 and will be able to apply for further funding. The Council is working effectively in partnership with the voluntary sector to improve museums. Through Renaissance West Midlands it has accessed funding for 400 hours of officer time dedicated to helping local museums run by the voluntary sector to prepare for accreditation. The Council works well with local communities and local industries. Archaeological work undertaken as part of 'The Rivers' project has engaged with local communities and provided work for local craftspeople in producing signage. As a result of this project, local interest has been stimulated in restoring watermills, and external funding has been obtained to pursue the possibility of hydro energy. The service works in partnership with neighbouring councils such as Shropshire and Worcestershire to share good practice and to deliver services such as the mobile museum. Overall, partners are positive about the approach taken by the Council to enable them to make cultural improvements. Partnership working is embedded into delivering cultural services and is making a difference to provision in Herefordshire.

- 87 The Council has some ambitious high level corporate plans to improve overall capacity. The Council anticipates efficiency savings from the Herefordshire Connects business re-processing initiative of approximately £12 million over the next three years which could allow funds to be released into frontline services. The creation of a new Public Service Trust (PST) could potentially improve links between health and cultural services. However, Herefordshire Connects is currently going through procurement of ICT equipment and the PST is not scheduled to be in place until 2008.
- 88 The Council has a modern procurement strategy but it is only partially applied to cultural services. Whilst it is open to different modes of service delivery this has tended to be driven by finance and not an overall strategic approach within cultural services. Although the Halo trust has a 25-year lease on the leisure facilities, the partnership agreement is not informed by an overall plan about investment requirements, a clear direction on when some of the ageing facilities will come to the end of their useful life, or the integration and formation of planned shared facilities. The lack of medium or long-term planning has resulted in no outcome targets and an annually negotiated management fee, making it difficult for Halo to plan service improvements which require investment. The Council has not enabled any significant transfer of risk as both the Halo and Courtyard trusts are dependent on Herefordshire's grant and do not have other business interests which could enable them to spread risk. The setting up of Halo was mostly driven by the desire to release tax-based savings and this has resulted in additional revenue into leisure facilities of approximately £400,000 per annum making them more sustainable. There have not been robust options appraisals for other parts of cultural services including sports development, leisure facilities run outside of Halo and tourist information centres. Procurement arrangements within cultural services are not fully informed by strategic planning and a complete approach to value for money.