

Title of meeting:	Culture and Leisure and Sport Decision
Date of meeting:	19 July 2013
Subject:	External Funding and Value For Money Report
Report by:	Head of City Development & Cultural Services
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 To inform the Cabinet Member of the results of the Value for Money (VFM) analysis released by the Chartered Institute of Public Finance and Accountancy (CIPFA) which analyses data from the 2011/12 financial year.
- 1.2 To inform the Cabinet Member of the external revenue and capital funding secured over the past four years (including Parks and Recreation in the Environment & Transport services) to provide additional resource to support service provision and strategic outcomes for the city.
- 1.3 The report also identifies the current and future decisions that impact on the VFM offer across all cultural services.

2. Recommendations

- 2.1 **That the cabinet member agrees the value for money priorities for City Development and Cultural Services for 2013 /14.**

3. Background

3.1 How is Value for Money (VFM) determined?

- 3.1.1 VFM analysis highlights how well a council manages its financial resources and considers levels of participation and satisfaction. An excellent performing authority would be considered as exhibiting a lower spend with a high satisfaction and participation rating.
- 3.1.2 One way for local authorities to understand their VFM is to use a comparative analysis tool such as the CIPFA data which uses cost information and financial estimates derived from statutory returns and compares data nationally.

The tool is based on a complex set of data and local authorities include different activities within its various budget headings. There are some inconsistencies which make can make meaningful comparisons difficult and unreliable. However, despite this, it is a useful tool as a basis of further research and analysis.

3.1.3 Additional data to the CIPA VFM tool evidences our value in other areas such as:

Inspection Reports	Archives accreditation Internal Audit reports
Quality Assurance	Various service standards introduced such as the volunteer standards and the MAVS customer service standard
Key performance indicators	Monitoring and performance- please refer to Appendix A
Cost of service	Cash limits and support services budgets

Figure 1

Residents and visitors help shape service delivery as we listen to their feedback and intelligence via the data collection methods below:

Customer Participation and Satisfaction Survey all front line services	Free time survey- every 3 years
Customer satisfaction and all front line	Library satisfaction survey Planning on line evaluation
Key Events surveys	Post event
Community Centre Survey	Annual survey to shape SLA and targets
Evaluation	Bids, projects and funding works
Feedback from Partners	7 SLA - Performance contract reviews
Customer insight and intelligence to improve services	Customer complaints, friends and volunteer groups

Figure 2

3.2 Cultural Services VFM Position Overall

3.2.1 The CIPFA analysis of the VFM offer provided by Cultural Services includes the following services:

Library Service	Amber /low cost/low performance
Museums Archives	Amber /high cost/high performance

This data has been further analysed to understand how services can move towards the "ideal" VFM position in terms of a low cost, high performance service.

3.2.2 Staffing

The broad approach across the service group is to reduce the direct impact of savings by reducing the management structure and prioritising service delivery.

It has been a broadly successful approach but has resulted in the workforce profile becoming more complex with an increase in part time workers, funded workers, contract workers, volunteers , interns and work placements.

The statistics show a significant reduction in FTE headcount in 2011/12. The focus has been on management reductions which have continued in 2012/13 resulting in a further 8% reduction. The City Development review, to be completed in July 2013, has further developed the transformation ideas of flatter, leaner and more flexible organisational structures.

3.3 Library Service VFM

The service has moved from the "green" rating of 2011 to an amber rating in 2012. Although the service retains its low cost base for the level of service and number of buildings operated when compared with neighbouring authorities, it is the slight decrease in physical visitor figures which has negatively impacted on its VFM position.

The service would be required to increase levels of engagement and to retain its low cost base in order to move to a "green" rating. There are indications that participation across digital and physical channels are increasing and this is further explained below.

3.3.1 The analysis of library visitor numbers show participation to be a complex picture as the library offer has not remained the same in terms of service delivery.

Overall, physical visits to Libraries continued to exhibit a downward trend, until 2012 when the figures stabilised. Reduced access, such as closures on a Friday, had negatively impacted on visitor numbers, plus the closure of the Central Library in August 2010 to January 2011 meant recovery of visitor numbers to the Central library have been gradual.

3.3.2 The revised longer opening hours introduced in 2012 has had a positive impact as physical visits which have increased by approximately 15% on 2011/12 figures. This increase is also partially due to the addition of search room visits, as this service recently moved to the Central Library from the City Museum .Encouragingly, visitor numbers have now returned to the more robust figures of 2008.

3.3.3 The Library service are developing ideas to continue to encourage physical visits to the central library, such as building refurbishment, improved book stock, stock layout, and creative children's activities. Similar developments have been undertaken in response to customer feedback, at Southsea, Beddow, Paulsgrove and Carnegie Libraries in the last 12 months.

- 3.3.4 The Free Time Survey also provided data on user and non-user perceptions of the service. The results in 2011 showed that 59% of residents visited Portsmouth Libraries and comparable data will be available in 2014 to give a more rounded picture of Library engagement. The qualitative feedback from this survey will also be used to shape service delivery.

As more services and resources can be accessed from a home PC, patterns of library usage is changing and virtual visits are increasing as the demands increases. In order to improve and broaden participation, digital access will be a key priority for the service in 2013/14.

- 3.3.5 The CIPFA statistics for the population per service point show a "below average position" for Portsmouth libraries which indicates there is scope for further Library provision due to the density of the population in Portsmouth .

The Library Development Plan identifies the case for investment and provides a structure for service development and progression for the next five years such as: greater utilisation of buildings and public access, archives relocation, digital engagement and on line technology as new ways of delivering services.

3.4 **Museums, Archives and Visitor Services (MAVS)**

The CIPFA comparison tool classified the archives service as "amber" which is the same rating as 2011 and whilst this shows a high performing service in terms of participation, it suggests the service should explore the reasons behind its high cost base classification.

- 3.4.1 The performance data is based on number of physical visits specifically linked to the archives service. The visits have significantly increased from the 3,500 visits to the search room at the City Museum to the 7,500 at the Portsmouth History at Central library in 2012/13
- 3.4.2 The overall visitor figures for MAVS also shows a positive picture. Free entry to Southsea Castle, introduced in 2011 as part of the agreement with our partners Yellow Kite, has been vital to the vibrancy of both the Castle and the café and visitor figures continue to increase by 10 % in 2012 and are now over 100,000 visits for the first time in its history
- 3.4.3 D-Day visitor figures have slightly increased to over 50,000 visitors a year including 10,000 school children and students. In 2012, the D-Day Museum entrance façade was refurbished to make it more inviting and welcoming whilst taking the opportunity to rebrand the existing signage to incorporate Portsmouth Visitor Information Service, who moved on site in late summer 2011.

There are exciting plans for D-Day 70th Anniversary in 2014, to engage young people with the D-Day story in partnership with the Pompey in the Community Respect Programme. In the longer term, if the HLF is successful, the 75th anniversary will see a transformation of the D-Day Museum into a significant attraction and an inspiring living memorial relevant to the 21st century.

The future plans are to physically transform the museum and to provide an inspiring experience, capturing the legacy of D-Day to be enjoyed by the widest possible audience.

- 3.4.4 The City Museum visitor figures continue to be a challenge and have been impacted by the reduction of search room visits. This will be addressed as part of the creative programming ideas including the V & A Teddy's exhibition which has proved very popular to a wider audience. In April and May 2013 the City Museum enjoyed a 40% increase in visits compared to the same period last year indicating the success of the current exhibition programme.
- 3.4.5 The analysis of the cost base indicates MAVS cash limits and staff numbers have reduced significantly as part of the overall budgetary savings in the base budget since 2005.

The high cost base referred to in the CIPFA stats is impacted by a number of variables and two key areas are below :

- External funding is included in the CIPFA returns and MAVS has enjoyed significant success in securing external funding. The impact of this is a temporary increase in the costs of the service. The details of the funding over the last 4 years totals £330,000 for MAVS .Our future success lies in continuing to respond in this way to the current economic challenges , in order to create the capacity to drive forward the ambitions for this service.
- City Development and Cultural Services manage a diverse asset base and the extensive landlord's maintenance (LLM) budgets and various variable costs related to support services costs reflects this. However, the political will is to continue to invest in our asset base, to conserve the city's unique historic environment and to develop new opportunities for regeneration of heritage sites and other cultural assets.

It is hoped the proposed re-location of the City Archive from its current location in the Records Office Building, to the storage area on the first floor above Southsea Library, plus the recent transfer of the searchroom archives to Portsmouth History Centre, should in the long term reduce costs through the efficiencies of co-location and improve the VFM rating of the service.

In order to further respond to our VFM priorities, City Development and Cultural services will be developing an asset management strategy and action plan to support the effective management of our assets, to regenerate our heritage space and to support the visitor economy.

3.5 Leverage of External Funding to the City

- 3.5.1 To continue to aspire to deliver more for less, it is not only the MAVS service that has developed a track record for successfully securing funding from external sources including government pilots and national bidding processes.

Over the past 4 years the service has secured external revenue funding of £866,000 and the external capital funding of £3,761,000 .This also includes funds successfully secured by the Parks and Recreation who are now part of the Environment and Transport service.

This funding has enabled both services to achieve outcomes for the city far beyond what basic central government revenue allocations and the income from local council tax collections could provide.

Leverage of external funding to the city is crucial to drive culture led regeneration and to create the capacity to deliver creative projects and strategic outcomes. There are many key benefits this funding has realised for the residents and visitors to the city from health benefits to sustainable social and economic regeneration, improving the quality of life and contributing to the national, regional and local strategic outcomes for the city.

- 3.5.2 There are potential bids opportunities in the pipeline which are very exciting for the city. The most recent bid success in June 2013 is the securing of the funding towards a programme of activities with Caen City Council to commemorate 70 years of the D-Day landings.

This is a 1,090,000€ investment to the city and our elements of the project total approximately 327,000€ and will support the commemoration of the D-Day Landings through public art, celebration of music and build on the positive collaboration of the schools relationships forged by the MONC project. It will enable the city to forge a strong link between the French Memorial museum and the D-Day museum to promote the city on an international level and develop the visitor economy through the D Day legacy.

4. Reasons for recommendations

- 4.1 VFM is both a challenge and an opportunity in the current financial climate, as cuts to frontline services already have a significant impact on opening hours, staffing levels and service development. The vision has three main parts: work smarter, put customers at the heart of everything we do, and make sure services are value for money.
- 4.2 Our challenge in an economic climate of continuing budget pressures is to continue to offer large-scale savings without cutting frontline service and to continue to drive the ambitions for the city. To this end the key VFM priorities this year are:

- *Continue to increase and broaden engagement:* To develop digital access across all services to broaden and increase participation, such as developing a web solution to provide searchable archive service for public access to the Conan Doyle collection, development of an Ebook lending service in Portsmouth Libraries, and exploring the use of mobile and web technologies which will meet the future needs for greater accessibility for cultural and tourism information.
- *Provide sustainable alternative delivery models* - new service models continue to be explored as the current financial context of the local authority presents a unique opportunity to shape a new vision for our future - one that delivers a long-term sustainability not only for the delivery of local cultural services, but also for their expansion and development in the future.

Alternative delivery models for Cultural Services already exist to allow greater operational dynamism and opening up new funding pathways such as transferring Services to the 3rd Sector, developing private sector partnerships, shared services with other local authorities and Independent Trusts.

- *Better performing Workforce:* Exploring ways to improve succession planning, career development and transferring skills, undertaking skills audits and developing leaner and more flexible staffing restructures.
- *Income Generation:* Explore opportunities for income generation such as the development of the wedding offer in cultural services estate throughout the city.
- *External Funding:* Continue to seeking external funding both from national & European funding streams to support our strategic objectives
- *Improve the quality of service:* Developing the volunteer offer and its accreditation to support the breadth and quality of the volunteers support across all services

4.3 Expectations of City Development and Cultural Services have never been higher and through working smarter we will continue to drive forwards strategic regeneration outcomes for the city promoting Portsmouth's unique cultural character and diverse heritage

5. **Equality impact assessment (EIA)**

All of the planned VFM priorities listed above are a continuation of the work the service is currently delivering. Continuing to broaden as well as increase engagement is an inclusive principle which will continue to have a positive impact in all equality groups in the city.

6. Legal Implications

6.1 There are no identifiable legal implications

7. Finance Comments

7.1 The service will continue to strive for improvements to Value for Money measurements through increased efficiency and improved methods of working. All options to change service delivery will be appraised to ensure that any changes result in improved satisfaction and or reductions in cost.

7.2 The service will continue to seek external and alternative sources of funding whenever it is able.

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 Signed by:
Stephen Baily
Head of City Development & Cultural Services

Appendix A: City Development and Cultural Services KPI

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

	Title of document	Location
1.	Response to Value for Money Results 2010	PCC website Culture & Leisure Decision 20 January 2011

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Cabinet Member for Culture Leisure and Sport on 19 July 2013

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 Signed by: **Cabinet Member for Culture Leisure and Sport**

Key Performance Indicators

A set of performance indicators has been identified and future targets set against a baseline:

Set a baseline for Libraries Virtual Visits	Museums to attract 280,000 visitors to all sites in 2014	A 5% increase in sub-regional inward investment enquiries by 2015
Target of: 15% Increase over the next 3 years	Increase to 280,000 Visitors	5% increase
A 5% increase in the total annual number of overnight stays by 2015	To increase the ranking performance of business start-ups by 5 places for Portsmouth in the Centre of Cities Primary Urban Areas rankings by 2015	For Portsmouth to maintain a 5 year housing land supply
5% increase	5 places	5 year
For Portsmouth to meet national targets of application turnaround times of 80 householder, 60% majors and 65% other		
80 householder	60% majors	65% other