

Culture, Tourism and Sport Programme Board – update on current issues

Purpose of report

For noting.

Summary

This report updates Members on current issues of interest to the Board which are not covered elsewhere in the agenda. Updates are included on:

1. The Spending Review
2. DCMS Business Plan
3. Future Libraries Programme
4. Museums and Archives
5. Tourism
6. Local Legacy Local Leadership Project
7. Arts, creative and cultural industries
8. Health and Wellbeing

Recommendation

Members are asked to note developments.

Action

Secretariat / CLOA Advisory Panel as appropriate.

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Culture, Tourism and Sport Programme Board – update on current issues

Spending Review

1. Outside London, **local councils are the principal deliverer of culture and sport, spending nearly 70% more than DCMS and its national agencies.** This means that what happens to council-funded and enabled culture and sport after the Spending Review will be the biggest determinant of this country's culture and sport offer. The tough settlement reinforces our focus on sector-led improvement, sharing innovative and more efficient ways of delivering local culture and sport services, strengthening member and officer leadership, and ensuring that the maximum amount of resources are steered to the front line.
2. The spending review set out **real term reductions of 28% in local authority budgets over the next four years.** The LGA 'on the day briefing' can be viewed here: <http://www.lga.gov.uk/lga/aio/14462985>. Town halls will now face extremely tough choices about which services that can keep on running. Further detail about the impact on individual local authorities will be known following the Local Government Finance Settlement in early December.
3. The government also responded positively to some of the central arguments made by local government. Community Budgets, an enhanced role for local government in public health and less ring fencing are potential opportunities to better align culture and sport spending with local priorities. Members might wish to explore this in more detail at a future meeting.
4. We have also emphasised to NDPBs that as they work out what their budget cuts mean for frontline arts and sport projects, some of which are co-funded with local authorities, it is essential that they talk to councils before making decisions. ACE has subsequently said that in 2011/12 the majority of funded organisations will receive a cut of 6.9%. Funding decisions from 2012-15 will be made on the basis of a new funding structure to which all organisations will be asked to apply.
5. The LG Group is conducting research on the impact of the Spending Review across council services. CLOA will continue to collect intelligence focusing on culture and sport. For example, the National Association of Local Government Arts Officers' (NALGAO) recent arts survey found that smaller councils have reduced arts spending the most and report least confidence in the future. Councillors White and Castle have discussed the impact on community sport with Sport England and asked to work with the Children and Young People's Board on some further analysis of the impact on school sport.

6. The spending review also set out central government departmental budgets until 2014/15. Headlines from the **DCMS settlement** are:
 - 6.1 Overall resource savings of 25 per cent in real terms over the Spending Review period (excluding Olympics) through slimming down the Department and its Arms Length Bodies.
 - 6.1.1 DCMS's administrative costs will reduce by 50%. This includes the Arts Council, English Heritage, VisitBritain, VisitEngland, UK Sport and Sport England
 - 6.1.2 The abolition of a number of public bodies has already been announced, notably the MLA by March 2011. The Commission for Architecture and the Built Environment (CABE) will also be wound down and UK Sport and Sport England will merge after the 2012 Games
 - 6.1.3 Visit Britain's £50m marketing budget has been protected and industry challenged to match it.
 - 6.2 Limiting cuts for core programmes like Renaissance in the Regions (museums), Arts Council England funding to frontline arts and Sport England's Whole Sports Plans to 15%.
 - 6.3 £230m investment over the Spending Review period in the UK's broadband infrastructure, including a number of superfast broadband pilot projects.
 - 6.4 Olympics budget unchanged at £9.3 billion.
 - 6.5 Previously announced lottery reforms mean that the arts, sports and heritage sectors will get £50m extra funding from 2012.
7. The Department for Education has removed the ring-fencing of the funding for School Sports Partnerships to give schools the freedom to decide how to fund school sport, and emphasised the importance of competitive sport.

DCMS Business Plan

8. Along with other government departments, DCMS published its Business Plan on 8 November. The plan covers four years and sets out how DCMS will boost economic growth, equip the country for future success and transform the way we deliver culture, media, sport and tourism. The plan is available via http://www.culture.gov.uk/news/news_stories/7547.aspx and, apart from the last priority, confirm the priorities previously announced in the Structural Reform Plan.

9. There are six key reform priorities:
- 9.1 **“Delivering a successful Olympic and Parlympic Games.** London 2012 will be a symbol of our economic vitality and catalyst for further growth, and mark our standing on the global stage.
 - 9.2 **Creating the conditions for growth in the tourism, media, leisure, creative and cultural institutions, by stripping away red tape and stimulating private sector investment.** These sectors should be free to drive their own success – with the Government only intervening where there is a real need.
 - 9.3 **Boosting the Big Society by encouraging philanthropic giving so more of us can have a connection with the things we care about and enjoy.** We are also returning the National Lottery to its founding principles so more money is invested in the arts, sport, heritage and the voluntary and community sector. We will enable the creation of new local TV services and scrap rules on local cross-media ownership to help foster a new breed of local media groups.
 - 9.4 **Facilitating the delivery of universal broadband.** We have set a stretching ambition to have the best broadband network in Europe by 2015 and want there to be fairer access across the country.
 - 9.5 **Creating a sporting legacy from the Olympic and Paralympic Games.** Playing sport not only improves health but equips people with skills for life, such as confidence, teamwork, commitment and drive. This is why we want to encourage competitive sport in schools and create a lasting community sporting legacy from 2012.
 - 9.6 **Strengthening cultural organisations.** Our world-renowned culture is part of what makes this country great and it’s important that our cultural institutions can continue to thrive for the benefit of future generations. We will reform our cultural bodies, reducing administration and focusing funding on the frontline. We will support the sector to move towards more sustainable business models, liberating organisations so they can raise and spend money as they see fit.”

Future Libraries Programme (FLP)

10. The FLP, led by the LG Group, working with MLA and DCMS is a sector-led libraries improvement programme. There are ten projects involving 36 councils in phase 1 of the project, exploring different efficiency options to help cut costs while maintaining valued front line library services. The projects are all now

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underway. MLA Field Team representatives have met with each project and begun to assemble the support package needed for each. The new approaches being tested include:

- 10.1 Working with the community to develop and deliver services they define
 - 10.2 Supply chain efficiencies and reductions in back office costs
 - 10.3 Integrating and co-locating libraries with learning, health and other local services
 - 10.4 New governance and management options
 - 10.5 Collaboration with other library services, or merging with other services
 - 10.6 Developing the diversity of the workforce and modernising staff skills
 - 10.7 Looking to digital and new technology to improve accessibility and reduce costs.
11. There is a high level of interest from councils who are working through the implications of potential budget cuts to library services to access early learning from the projects. As a result, a joint letter from Cllr Chris White and Ed Vaizey MP will shortly be sent to Leaders of councils, updating them on the FLP, along with a newsletter giving further detail on the ten phase 1 projects. Both will be tabled at the Board meeting. Once the projects are more established there will be further learning opportunities and LGID has set up a Community of Practice that will soon be available to all authorities.

Museums and Archives

12. The Museums, Libraries and Archives Council (MLA) will be wound up by April 2011. Following discussion at the last CTS Board meeting, Cllr White wrote to Ed Vaizey, Culture Minister, setting out a proposal for a model of sector-led improvement. The letter is attached at **Annex A**.
13. The Minister has since announced the continuation of the Renaissance programme. Detailed plans are being developed but in a speech on 5 October, the Minister said Renaissance will move away from the existing hub network. Instead it will create a group of core museums – a small number of non-national museums with outstanding collections and which offer exceptional services to large audiences. Alongside this, a proportion of Renaissance funding will be used to create a challenge fund to give regional museums access to funding to drive improvement and innovation. At a recent meeting with Cllr White, the Minister invited the LG Group to suggest how it might like to relate to the new vision for the Renaissance programme. Officers are taking this forward and will shortly report back to CTS Lead Members.

Tourism

Local Enterprise Partnerships

14. In July, the LGA welcomed Local Enterprise Partnerships (LEPs) as a landmark moment for councils to take control of the economic destiny of their local areas again.
15. On 28 October the Government published a White Paper on growth and confirmed 24 first phase Local Economic Partnerships.
16. Tourism is the UK's fifth largest industry. It generates £114 billion of GDP each year and sustains 2.65 million jobs, a large proportion of them entry-level jobs in which newcomers to the labour market acquire fundamental skills. Tourism businesses tend to be SMEs and in many places come together with public sector support in order to achieve benefits – a single marketing offer for a place, for example - that they could not obtain individually.
17. Many LEPs are aiming to give a lead on the full range of interlinked issues that affect local economies and upon which a thriving visitor economy rests. This includes transport provision, infrastructure investment, skills, employment and training provision. As a result, there is huge potential for LEPs to work with tourism businesses, both through special-purpose Destination Management Organisations (DMOs) but also through Chambers of Commerce and other bodies, to sustain and support great destinations.
18. Cllrs White and Castle emphasised these points in a recent meeting with John Penrose MP, Tourism Minister. The Board agreed that there should be communication between Lead Members and the LEPs. Officers are currently analysing how tourism is reflected in the 24 first wave LEPs and will shortly advise on appropriate communication.

Local Legacy Local Leadership Project

19. This is the 12-month programme being delivered by three of the four Beacon 2012 Legacy Councils: Essex County Council, London Borough of Hackney and Kent County Council. It focuses on how sport and physical activity within the 2012 context can help localities tackle the health inequalities agenda and is funded by CLG. The three councils reported on progress to the CLG Transition Fund Programme Board on 5 October where their innovative approach to peer mentoring was commended. They will shortly be inviting around 14 councils to participate in the project and benefit from a bespoke package of member and officer peer mentoring and / or challenge.

Arts, Creative and Cultural Industries

Culture, Media and Sport Select Committee inquiry

20. Cllr Gary Millar represented the Board at the Culture, Media and Sport Select Committee's inquiry into funding of the arts and heritage on 12 October. Cllr Gary Millar, along with Cllr Guy Nicholson from London Borough of Hackney and Simon Eden, Chief Executive of Winchester City Council, emphasised that the public subsidy to arts needs to be better aligned with the priorities of local communities, and that councils and local partnerships must be given the maximum flexibility to spend the public money they have in a way that best supports their local area.

Digital Inclusion

21. Across local government, working with local partners, business and the voluntary sector, there is work underway to transform and reduce the cost of public services. Online technology is central to this transformation. Local councils recognise that removing the barrier of digital exclusion is one key to the success of putting services online.
22. In October, Cllr Chris White wrote to Martha Lane Fox, the Government's Digital Inclusion Champion and Chair of Race Online, to emphasise councils' key leadership and coordination role in getting more people online. A copy of the letter is attached at **Annex B**. Race Online aims to get as many new people as possible using the Internet by the Olympic year of 2012. So far 30 councils have pledged their support to the campaign. There have also been positive meetings between officials about how the LG Group might be able to support the campaign in ensuring that the most successful approaches are shared, thinking is embedded with other digital issues and service transformation, and the work of experts is widely disseminated to help inform this decision-making. A meeting is being arranged between Cllr Chris White and Martha Lane Fox.

Health and Wellbeing

23. A government consultation on the Health White Paper "Equity and Excellence: Liberating the NHS" closed in mid-October. The LG Group has published a 'frequently asked questions' guide to what the White Paper means for local authorities. <http://www.lga.gov.uk/lga/tio/14726822>
24. The key issue within the Paper for the Culture, Tourism and Sport Board is the transfer of the public health function to local authorities and the establishment of health and wellbeing boards in all upper tier authorities. It is likely that many such boards will be set up in "shadow" form by April 2011, even though the formal transfer of budget and function may not take place for a further two

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years. There is an opportunity for culture and sport to position itself as central to this debate, drawing upon the growing body of evidence about the contribution of the sport, leisure and cultural sector to health. This is beyond the benefit of physical activity in mitigating the impact of, for example, heart disease, and encompasses, for example, the impact of libraries and the arts on mental health, and of outdoor activities on general wellbeing.

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ANNEX A

Ed Vaizey MP
Minister for Culture, Communications and Creative Industries
Department for Culture, Olympics, Media and Sport

15 September 2010

Dear Ed,

When we last met, you asked for our views on the further development of the Renaissance programme and the future funding of museums. These are set out below, and in more detail in the attached paper. I would be interested in your thoughts.

My primary concern when considering this, and that of the senior councillors and officials I have spoken to, is how we ensure that the maximum amount of the money that is available to support museums and archives following the spending review makes its way to the front line.

We understand that the total amount of funding in the programme will reduce, but we must remember that previous Renaissance funding acted as core revenue funding in nearly all cases. Having accounted for an overall reduction, our job then becomes to get this money as quickly and simply as possible into the hands of people running museums. Where funding is siphoned away from museums it will lead to more closed doors, fewer visitors and less engagement with the local schools and communities who continue to be the lifeblood of many museums.

As recommended by the Renaissance Advisory Group we believe existing Renaissance 'hub' structures should be reconfigured, and groups of local councils should be invited to form new local museum and archive partnerships, together with key local stakeholders. As with the Futures Libraries programme, these local partnerships must be visionary, radical and transparent, acting in response to the needs of their community, supporting digital innovation and acting as a cornerstone of the Big Society.

In order to cushion some of the impact from the likely reduction in overall funding available, all available money should be devolved to these partnerships. Currently, a fifth of Renaissance funds are spent on bureaucracy in the programme; this is a further cut on top of that which government may be required to make, and it is unsustainable.

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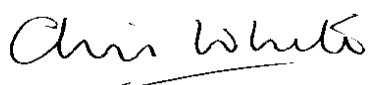
Local partnerships must of course be encouraged to work collectively to benchmark success and to acquire advice, research in a way that maximises economies of scale and mitigates information asymmetries. But this will be procured most efficiently where it is commissioned directly from the local partnerships themselves, acting as the principles rather than the agents of the programme.

Our proposed model has at its heart a strong group of national peer organisations, drawing on the expertise and influence of national museums and archives, the professional bodies, government agencies and local government leaders and experts from Local Government Improvement and Development.

These bodies will together create a framework within which support can be commissioned from the front line, they will stimulate and share best practice and be a national voice for museums and archives. This will add value to DCMS' investment in museums - not take it away from front line facilities.

We have an opportunity to create a programme that builds on the success of the past without repeating previous mistakes, but this can only be done if we cushion overall funding cuts and unlock front line innovation. I hope you will consider this proposal carefully, and explore its value with those existing hub and local museums that are currently facing unprecedented pressures.

Yours sincerely,



Cllr Chris White,
Chair, LG Group Culture, Tourism and Sport Board

ANNEX B

Ms Martha Lane Fox
UK Digital Champion
Raceonline2012
6-10 Lexington Street
London W1F 0LB

5 October 2010

Dear Martha

NETWORKED NATION MANIFESTO

I am following up Baroness Eaton's letter to you of 14 July.

The Local Government Association supports the ambition of the Race Online 2012 campaign to tackle digital inclusion and get as many new people online as possible by the Olympic year.

As your manifesto sets out, there are important economic and social reasons for tackling digital inclusion. Councils have a key leadership and co-ordinating role to play. They see the direct benefits to residents from being online – improving quality of life, strengthening connections with friends, family and wider communities, and securing the benefit from buying online. There are also major opportunities to embed digital inclusion in the improvement of public services and developing independence and resilience in communities.

Across local government, working with local partners, business and the voluntary sector, there is work underway to transform and reduce the cost of public services. Online technology is central to this transformation. Local councils recognise that removing the barrier of digital exclusion is one key to the success of putting services online.

The precise approach taken will vary from place to place. This will be determined by local priorities that in turn reflect the local economy, demography, social and environmental issues, and the opportunities that result from local partnerships within the public sector. In some places, the catalyst will be a new private sector contract or result from initiatives with the voluntary sector and community groups.

The service focus will vary too. Local councils provide a wide range of services – for example, social care, child protection, childcare and education, waste management, housing, library and leisure services – and they act in a range of regulatory roles, for example trading standards, environmental health and planning. In each case, it is possible to envisage a bigger role for IT and telephony.

Other opportunities will result from the way in which local government shares information publicly and is held to account. There have been moves recently to increase transparency, for example on financial transactions.

Some of the opportunities will be bounded by the local infrastructure, public sector data-sharing arrangements and the practical difficulty presented by funding coming in multiple streams.

Against this complex background, local councils will see themselves as the best judge of where their priorities on digital inclusion should lie, how best to organise themselves to deliver them and the best ways to encourage people online locally.

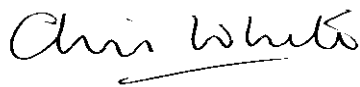
There is an important role for the Local Government Group in ensuring that the most successful approaches are shared, thinking is embedded with other digital issues and service transformation, and the work of experts is widely disseminated to help inform this decision-making.

For example, during 2009-10, Local Government Improvement and Development have promoted best practice through the Beacon Scheme identifying and promoting the best work

of councils on digital inclusion, running learning exchange events, publishing a digital inclusion checklist and other communications activity. A number of councils have led the way – you will know of the work in Barnsley for example.

The Manifesto includes a number of suggestions directed at local government. I would very much welcome the opportunity to discuss these with you, to identify those local government services where there is a overwhelming business case for quick progress, how to build on the networks that have already been established to draw digital inclusion together, the scope for innovative partnership working with the private sector and how the LGA might support you in developing and communicating your ideas to local government.

Yours sincerely,

A handwritten signature in black ink that reads "Chris White". The signature is written in a cursive style with a horizontal line underneath the name.

**COUNCILLOR CHRIS WHITE
CHAIR LGA CULTURE, TOURSIM AND SPORT BOARD**