

Culture, sport and the digital economy spending round submission



April 2013

1. Summary of key proposals

The best way to secure a sustainable future for culture and sport provision is to ensure that councils have the necessary levers and flexibilities to maximise the contribution of these services to local growth priorities. We propose how this can be achieved in four key areas:

- **The arts** - we want to work with government on a shared mission to re-discover philanthropy around the country through a new approach to Lottery funding.
- **National broadband roll out** - we are calling on the Government to secure state aid clearance for the urban broadband programme and address councils' concerns about the competitiveness of the supply chain.
- **Libraries and Universal Credit (UC)** - the funding model for Universal Credit (UC) needs to reflect the additional resource pressures that will be placed on public libraries as a key access point for face-to-face support.
- **Investing in physical activity** - to tackle obesity and improve public health.

2. Context

Councils currently spend just over £3 billion every year on libraries, leisure centres, museums and other cultural services because of their contribution to growth, tourism and wider political outcomes. They are amongst the highest valued and used of all council services. Culture and sport services are also uniquely placed to support community resilience in tough economic times for example through jobs and skills advice at public libraries and engaging young people through sport and volunteering opportunities. However, this investment is under increasing strain in the context of the overall level of savings councils need to find. The culture and sport sector has embraced the efficiency agenda and the LGA has led work to develop and share new delivery models, but efficiency savings are no longer enough. Significant savings have already been made across the sector and around 40 per cent of culture and sport services are now partially or entirely delivered through trusts, social enterprises or similar arrangements. It is estimated that councils' cultural budgets reduced by 8 per cent in 2011/12 with further reductions of 8 per cent in 2012/13.

3. Arts funding

Recent research reveals that for every £1 spent by local authorities on the arts, leverage from grant aid and partnership working brings up to £4 of additional funding.¹ As we move towards a mixed economy of arts funding, local government has a key role to play in driving local donations to the arts up and down the country.

¹Arts Development UK 2012 LA Arts Spending Survey Report <http://artsdevelopmentuk.org/2012/10/arts-development-uk-local-authority-arts-funding-survey-2012/2012-la-arts-spending-survey-report-final/>

We want to work with government on a shared mission to re-discover philanthropy around the country. Lottery sales continue to be strong and achieve significant local impacts. It is an important statutory constraint on lottery funding that it must not replace public funding (the “additionality” principle), but lottery funding closely complements activity funded by mainstream public expenditure. Councils want a distribution system that reinforces, not runs counter to, the general drive towards joining-up and simplifying public funding locally. **We want to work with government and the lottery distributors to introduce a complementary approach to lottery funding that recognises the work being undertaken by councils locally and nationally and reduces unnecessary complexity of national funding streams.**

4. National broadband roll out

Superfast broadband is essential infrastructure for many businesses and a key enabler of growth and jobs. It will enable councils to carry out their business more efficiently by delivering services online for those able to access them. It could also dramatically improve people’s quality of life and is central to government’s ambition for Universal Credit to be digital by default.

Councils are leading the roll out of the nation’s broadband programme and in many cases exceeding government’s expectations for local match-funding. After delays to the roll out of the rural programme, while state aid issues were clarified (which was the real barrier – not the planning system), the projects are now progressing. All councils, whether part of the commercial or government funded roll out, are committed to working in partnership with telecommunications companies to keep the roll out on track. However, the lack of competition in the supply chain is giving rise to questions about how councils can assure themselves that they are achieving value for money within the parameters of commercial confidentiality. Councils need to be able to cross-reference with projects which have already been out to procurement to gain an idea of definite costs.

Delays caused by state aid and the tight timescale for delivery is now also impacting upon the urban programme. Councils are keen to resolve these as soon as possible whilst also ensuring that they are still able to meet local digital priorities.

We are calling on the Government to secure state aid clearance for the urban broadband programme and address councils’ concerns about the competitiveness of the supply chain in general by making benchmarking data available.

5. Libraries and Universal Credit

Public libraries are one of the few places where people can access the internet at low or no cost, and get help with how to use it. This is going to be central to the successful implementation of UC, which the Government wants to be digital by default. Eight million adults do not have internet access and almost half of these are social tenants. Many of these people will turn to their local library for face-to-face help with UC. The UC pilots show the many ways libraries are getting ready to support claimants – from providing IT training, to making extra staff

available and reducing or waiving fees to access the internet. For instance, libraries in the London Borough of Lewisham will be supporting claimants to improve their internet skills and North Dorset District Council has negotiated with Dorset County Council to extend free internet access at libraries, so that claimants have enough time to complete online housing and council tax benefit claim forms.

The funding model for UC needs to reflect the additional resource pressures that will be placed on public libraries as a key access point for face-to-face support. Councils want to provide this face-to-face support, but it is over and above existing service provision and will have significant resource implications - especially in the short-term - that need to be properly understood and reflected in the funding arrangements for UC.

6. Investing in physical activity

The transfer of public health responsibilities to local government represents an exciting and transformational opportunity for local authorities to work with communities to improve health and wellbeing and to play a key leadership role in designing a public health service to meet the particular needs of their localities.

We want to work with government to engrain physical activity into the DNA of society. The provision of high-quality and locally tailored physical activity opportunities is crucial if we are going to tackle obesity - one of the biggest and most expensive public health challenges we face. Physical inactivity is the fourth largest preventable cause of deaths behind smoking, high blood pressure and obesity.

Despite significant effort over recent years, child obesity rates remain stubbornly high (among the highest in Europe), with prevalence doubling in almost all local authorities between the first and the last years of primary school. One in five children in reception (aged 4–5 years) are overweight or obese, rising to one in three in year 6 (10–11 year olds).

Treating the effects of obesity is estimated to cost the NHS £5 billion a year and £20 billion to the wider economy once factors such as lost productivity and sick days are taken into account, so there is a strong case for investing in physical activity to save money across the public sector and in the economy as a whole.

Councils want to do more to encourage and enable everyone to build physical activity into their everyday lives through the promotion of active travel, working with business to invest in community health and wellbeing for both its staff and its customers and to improve a wide variety of physical activity and sport opportunities especially for people new to physical activity.

For more information please contact:

Paul Raynes
Head of Programmes
Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Email: paul.raynes@local.gov.uk
Telephone: 020 7 664 3037



Contact the Local Government Association

Telephone: 020 7664 3000

Email: info@lga.gov.uk

Website: www.local.gov.uk

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