

CULTURAL COMMISSION

**LOCAL AUTHORITY CULTURE AND
LEISURE PROVISION**

**REVIEW OF ASPECTS OF LOCAL AUTHORITY CULTURE
AND LEISURE PROVISION**

AND

**LOCAL AUTHORITY BENCHMARKS AND STANDARDS
WITHIN CULTURE AND LEISURE PROVISION**

Cultural Commission

A

FINAL REPORT

BY

PMP

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Introduction

Background

- 1.1 PMP/Donaldsons were appointed in October 2004 by the Cultural Commission to undertake a wide ranging piece of work which included:
 - auditing Scotland's cultural facilities
 - consulting with local authorities regarding cultural provision and strategic direction
 - establishing benchmarks and best practice in cultural provision.
- 1.2 The aim was to comment on the consistency of provision across Scotland and the scope for rationalisation and joint use and provision of facilities. The consultants were also asked to consider what resources are available for culture and the potential for innovative solutions to funding capital and continuing revenue requirements.
- 1.3 We were made aware that the Commission's focus was on culture in the broadest sense, but also of survey work already completed by **sportscotland** regarding sports facilities. Our report, therefore, defines culture broadly to include culture, sport and leisure provision although the audit excluded sports facilities.
- 1.4 The study was commissioned in the context of the Commission's expectations that the relevant data would be available from local authorities. The consultants were asked to note deficits in information and were advised not to seek to undertake survey or other work to make good such gaps.
- 1.5 As we note in section 2, the methodology adopted of two questionnaires to local authorities, supported by two workshops, meant a reliance on local authority responses to a tight timescale at a time when there were several competing pressure on resources. Within competing timeframes, councils were asked to respond to these questionnaires as well as the Phase 2 consultation from the Commission and a detailed survey being conducted by CIPFA on cultural provision. In addition, councils noted that one of the questionnaires sought a great deal of detailed information, some of which would not have been readily available.
- 1.6 The response rate to the surveys was relatively low (around 50%) although attendance at the workshops was good, indicating the willingness of local authorities to drive forward the debate regarding cultural 'rights and entitlements' in Scotland. Workshop discussions confirmed the declining condition of cultural facilities and services and how this was linked to the rights and entitlements debate. Debate during the workshop sessions indicated that many local authorities saw culture as an important element both in their current profile and future agenda.
- 1.7 Whilst the study was focused on cultural facilities, workshop discussions noted the need to recognise the development and outreach work that councils do and the level of financial support given to cultural organisations and talented artists in their area. In this context, it will be useful to draw comparisons with the CIPFA survey on local authority expenditure when it is released since spend per head on culture will be identifiable from this survey.

SECTION 1 – INTRODUCTION

- 1.8 We are also aware of the new Scottish cultural portal, Scotland's Culture, which has been developed as a one stop shop for culture in Scotland. This online resource has the potential to link with the findings from this report to further capitalise upon its usefulness as a resource for the general public and organisations involved in the delivery of culture.
- 1.9 The questionnaire responses received, whilst limited, have enabled us to highlight some significant issues and to identify the need for more robust and comprehensive data. Whilst we are confident that a certain amount of extrapolation is possible from the data received, they are acknowledged to be incomplete and uneven. We would advise caution, therefore, in relying too greatly on aggregated data and in the report we have focused on selected authorities that usefully illustrate general issues and solutions.

Methodology

Introduction

- 2.1 The following techniques were utilised in the collection of information for this report:
- quantitative questionnaire to local authorities
 - qualitative questionnaire to local authorities
 - desk research
 - consultation workshops
 - one to one consultations with key stakeholders.
- 2.2 The two questionnaires covered the core details of facility provision including headline financial information, the nature of service delivery and building condition. Questionnaire 1 was concerned with quantitative data relating to cultural facilities whilst Questionnaire 2 was an attitudinal/qualitative survey covering areas such as priorities for culture, partnering, best practice examples and future plans for provision. The questionnaires were sent to the Heads of Cultural and Leisure Services (or equivalent) of each of the 32 local authorities (LAs).
- 2.3 The primary focus of the questionnaires was to collate the details for cultural facilities such as art galleries, theatres, concert venues, museums etc. Information previously collated by **sportscotland** regarding sports facilities was assessed and fed into understanding the provision and standards across sport and leisure facilities and services.

On-line survey of cultural facilities

- 2.4 The main purpose of this questionnaire was to gain a comprehensive picture of cultural facilities in Scotland. The on-line survey (www.pmpconsult.com/scfd/scfd_login.aspx - see Appendix A for hard copy) was purely designed to collate and analyse quantitative information about cultural facilities. The on-line functionality of this system allows reports to be run and comparisons made between LAs, both for specific facility types and for overall provision.
- 2.5 Local authorities were firstly asked to identify all cultural facilities within their boundary, whether public, private or not for profit. Whilst we acknowledged that the LA is only likely to be able to provide detailed information regarding those facilities which they own or are involved in the operation of, this questioning did provide a basis for identifying the overall scope of provision across all providers in Scotland.
- 2.6 For each facility information was requested under the following headings:
- contact details
 - property details – focusing on built provision and usage
 - ownership and management details

- finance
- physical condition of provision

2.7 The collection of these data in an on-line database was seen as a precursor to wider functionality. This could include, for example, demographic reporting and gap analysis in provision and inter-agency provision. The current website for Active Places in England (www.activeplaces.com) is seen as a model in this area. It not only provides facility information to authorities, but is also an analytical tool to examine and identify gaps in provision.

2.8 It is also envisaged that the data will have further value in starting to develop standards for provision. The use of standards for cultural provision is discussed in further detail in Section 4.

Questionnaire to local authorities

2.9 In addition to the on line questionnaire it was recognised the need to supplement the quantitative data with a qualitative questionnaire to local authorities, principally concerned with policy and practice areas, for example:

- strategic priorities for cultural provision
- perceptions regarding appropriateness of facility mix both geographically and by facility type
- provision for all
- cross boundary issues
- partnering and shared use of facilities
- finance
- best practice examples
- new initiatives/proposals for improving physical provision, management or funding of cultural provision.

2.10 A copy of the qualitative questionnaire can be found in Appendix B.

Desk Research

2.11 In parallel, a substantial desk review was undertaken to support the collection of primary data. The desk review focussed upon a number of key areas, including:

- a review of key strategic documents
- examples of best practice, both nationally and internationally
- review of benchmarking and performance monitoring mechanisms
- review of funding arrangements between the public/private and charitable sectors.

2.12 A bibliography of sources reviewed for this study can be found in Appendix C.

Consultation

- 2.13 To supplement the questionnaire and desk research approach, extensive consultation with local authorities and other key stakeholders was undertaken. Two project workshops were held on 16 and 17 February, in Inverness and Glasgow, at which 20 local authorities were represented. This enabled key themes and issues raised in the surveys to be discussed and debated. A list of all consultees is found in Appendix D.
- 2.14 During the consultation, community use of church or other local buildings and of facilities owned by schools/colleges for cultural purposes emerged as an important element in cultural provision. To explore this further, we are carrying out a sample survey of community use in a number of selected rural and urban authorities. The results of this are not available for this report but will be fed through to the Cultural Commission in May 2005.
- 2.15 The Advisory Group for the project, including representatives from COSLA, VOCAL and SOLACE, met to discuss progress in December 2004. It became apparent that the original deadline for receipt of the questionnaire information was unachievable, for a number of reasons, mainly relating to significant competing demands for information from local authorities at this time.
- 2.16 Many local authorities had raised concerns about the tight original deadline for completion of the questionnaires and had indicated that they did not have sufficient officer time to allocate to the task of researching the necessary information and filling out the questionnaires. In particular, large urban authorities reported that they would need substantial additional time to complete the surveys as the stock of cultural facilities was considerable and records kept regarding performance and building condition were variable, particularly in respect of facilities not directly managed by the Council.
- 2.17 In response to this, a decision was taken to focus on key quantitative data and to require councils to concentrate on facilities owned and/or managed by themselves for which they were more likely to have detailed information. Accordingly, the quantitative questionnaire was revised and 10 key fields identified. Revised instructions and new deadlines were issued to local authorities at the beginning of January 2005. However, this has inevitably limited the range of responses, as many cultural facilities are outwith local authority management and ownership.
- 2.18 The survey deadlines were extended as much as possible to maximise returns and strengthen the validity of conclusions. Because of the Commission's requirements, however, the study could only be extended until the end of March 2005.

Strategic context

Review of national and local government strategies

- 3.1 This section of the report examines current strategic thinking in relation to the delivery of culture and cultural facilities together with future needs and requirements.
- 3.2 It outlines the main priorities of a variety of organisations responsible for overseeing the delivery of culture in Scotland both at a national and local level, and in particular draws the links between national and local priorities. Given the multitude of organisations with an interest in the delivery of culture, it is also important to outline the roles and responsibilities of respective organisations in relation to culture.
- 3.3 This analysis is followed by a summary of the key themes emerging from across these organisations in order to understand common objectives for future delivery of cultural facilities and services.
- 3.4 In drawing the link between national and local strategic priorities, case studies are included to highlight a range of delivery mechanisms and examples of good practice.
- 3.5 For the purpose of this section it has been necessary to highlight only those bodies with a more central strategic role in cultural policy or delivery. This report recognises the multitude of organisations with important roles in the provision of culture and Appendix E contains an overview of the roles and responsibilities of these organisations. Appendix C provides a bibliography of sources reviewed as part of this study.
- 3.6 It should also be noted that this review does not focus solely on the policies of national organisations. Where necessary, corporate plans and structures for the delivery of culture are highlighted. This is intended to provide an overview of both the policy context and the strategic structures in place for ensuring that policy is implemented.
- 3.7 The section concludes by examining how these strategic themes link to the issue of rights and entitlements in respect of culture.

National context

3.8 The following pages outline the key strategic priorities for delivery of culture at a national level identified by relevant stakeholder organisations:

Table 3.1 – National strategic context: key priorities

<p>The Scottish Executive</p> <p>The Executive is responsible for leading and driving the development of cultural policy in Scotland.</p>	
<p>Current strategies/ policy statements/ key issues documents</p>	<p>Main priorities identified</p>
<p><i>Creating our future...Minding our past</i> - the National Cultural Strategy, August 2000.</p>	<p>The strategy is a framework of action which will underpin the development of Scotland's cultural life over future years.</p> <p>Strategic Objective 1 - Promoting creativity, the arts, and other cultural activity:</p> <ol style="list-style-type: none"> 1. Facilitating a climate supportive to those working in the cultural sector 2. Enhancing Scotland's creative industries 3. Celebrating excellence in the arts and other cultural activity. <p>Strategic Objective 2 - Celebrating Scotland's cultural heritage in its full diversity:</p> <ol style="list-style-type: none"> 1. Promoting Scotland's languages as cultural expressions and as means of accessing Scotland's culture 2. Conserving, presenting, and promoting interest in and knowledge of Scotland's history and cultural heritage 3. Promoting international cultural exchange and dialogue <p>Strategic Objective 3 - Realising culture's potential contribution to education, promoting inclusion and enhancing people's quality of life:</p> <ol style="list-style-type: none"> 1. Promoting and enhancing education and lifelong learning in and through arts, culture and heritage 2. Developing wider opportunities for cultural access 3. Maximising the social benefits of culture. <p>Strategic Objective 4 - Assuring an effective national support framework for culture</p> <ol style="list-style-type: none"> 1. Developing a national framework of support for cultural provision, appropriate to the 21st Century 2. Focusing on improving the quality and management of provision 3. Targeting funding to achieve clear priorities.

The Scottish Executive	
Current strategies/ policy statements/ key issues documents	Main priorities identified
<p><i>Implementation of the National Cultural Strategy: Guidance for Scottish Local Authorities. Published in association with COSLA, 2004</i></p>	<p>The guidance is advisory and not prescriptive, designed to assist local authorities to fulfil the important role identified for them in the National Cultural Strategy through taking action to implement the Strategy and developing their own cultural policies and priorities. Appendix F lists the 6 core cultural activities that councils should provide.</p> <p>As noted within the National Cultural Strategy, cultural activities and provision are important in their own right and make important contributions in many areas vital to the quality of life of everyone in a local authority area. It is important they are planned in a systematic way. There are 8 key advisory points that form good practice. Each authority should:</p> <ol style="list-style-type: none"> 1. recognise and embrace the broad definition of culture and cultural provision outlined in the National Cultural Strategy 2. make appropriate arrangements to deliver cultural policies developing an authority-wide cultural strategy and considering service-specific delivery plans for key areas of provision 3. relate these policies and strategies/plans to the National Cultural Strategy and appropriate policies in cultural and other (e.g. social justice) fields 4. ensure that opportunities for developing cultural provision and advancing community well-being are embraced and maximised by the local community planning process and other partnership mechanisms 5. fulfil its role as local leader in cultural provision making full use of existing and new legislation to promote cultural provision 6. ensure that provision is made for the following core areas of cultural activity: the arts; community recreation; heritage, museums and historical records; libraries and information; sport; parks and open spaces 7. recognise and embrace the contribution which culture makes in achieving wider policy goals including social justice; community development and active citizenship; diversity; economic regeneration; lifelong learning; health benefits; community safety; and environmental improvements 8. work with the Scottish Executive and CoSLA to ensure the availability of comparable baseline information and research on cultural provision, and the development of a self evaluation mechanism to measure effectiveness and ensure that resources for cultural provision are applied in ways that are consistent with Best Value.

The Scottish Executive	
Current strategies/ policy statements/ key issues documents	Main priorities identified
<p>St Andrew's Day Speech, First Minister Jack McConnell, 2003</p>	<p>Setting the new direction for cultural policy in Scotland by placing culture at the heart of government and helping to shape Scotland's future.</p> <p>There is a recognition that, "Culture cuts across every aspect of government - it can make a difference to our success in tackling poverty, it can make Scotland a healthier place and it has a significant contribution to make towards our economy.</p> <p>"Each member of the Scottish cabinet will use the power of cultural activity to help them in their work - culture will not be an add on, it will be at the core of everything we do. And the best place to start is with our children, from the earliest age we must give them the chance to express themselves, in art, dance, drama, music and sport."</p> <p>Particular recognition is given to opportunities with:</p> <p>The planning system - "can be a powerful tool to encourage creativity in our open spaces and the built environment"</p> <p>Health - looking at the "range of ways the arts have been used around the world as therapy and see how we might apply them here in Scotland."</p> <p>Transport – "one of the biggest barriers to people attending cultural events is transport - changing that is a challenge for the transport team as much as it is for the cultural sector."</p> <p>Criminal justice system - "will look at building on the success of the pilot restorative justice projects we have introduced. There is real evidence that exposure to creative options can divert youngsters and adults from expressing themselves through violence."</p> <p>The role of local authorities - asking local authorities to examine taking the benefits of cultural investment even further.</p> <p>Partnerships – "everyone has a stake in the development of our culture, in shaping our future - the private sector and the voluntary sector, as well as government. If we can work together it could result in the most extraordinary release of talent, and a stronger, more vibrant and confident country."</p>

The Scottish Executive	
Current strategies/ policy statements/ key issues documents	Main priorities identified
<p>The Scottish Executive Education Department (SEED)</p>	<p>SEED is highlighted for its role in the delivery of culture more than for any particular policy documents. It is responsible for administering policy on pre-school and school education, children and young people, tourism, culture and sport. Its cultural remit includes the following aims:</p> <ul style="list-style-type: none"> • to broaden access to and involvement in the arts, culture and sport, and to enhance the contribution they make to Scotland's well-being • to contribute to the physical environment through preserving Scotland's built heritage, while promoting and encouraging better architecture • to increase the success of Scotland's tourism industry <p>The Tourism, Culture and Sport Group within SEED focuses on policy on tourism, the arts, film, architecture, cultural heritage, sport, Gaelic and liaison with the UK Government on broadcasting and the National Lottery. It aims to promote the widest involvement with Scotland's sporting and cultural life.</p>
<p><i>Building Our Future: Scotland's School Estate</i></p>	<p>Local authorities through COSLA, have jointly developed this strategy with the Scottish Executive</p> <p>The objectives for the 21st century school are to deliver better services through the school environment that focus on:</p> <ul style="list-style-type: none"> • the child at the centre - meeting the needs of individual children • the school at the heart of the community - meeting the needs of communities. <p>The central plank of implementation will be a school estate management plan for each local authority to provide a focus to identify and draw together the range of needs and funding streams, and take a long term view.</p> <p>There is a need to measure success in delivering this vision:</p> <ul style="list-style-type: none"> • local authorities will need to demonstrate progress against their estate management plans, the impact of investment, and value for money. • local authorities will wish to deliver continuous improvement which will be assisted by benchmarking among authorities. • the Scottish Executive will measure national progress against the strategy. A small number of core facts, common to all local authorities' school estate management plans, will provide an evolving national picture. • a qualitative evaluation of progress on the strategy will add context and detail.

The Scottish Executive	
Current strategies/ policy statements/ key issues documents	Main priorities identified
<i>Local Government in Scotland Act 2003</i>	<p>A key part of the Executive’s local government modernisation agenda, aiming to provide a framework to enable the delivery of better, more responsive public services. The main components of this framework are:</p> <ul style="list-style-type: none"> • a duty to secure Best Value in local government service provision • a statutory basis for community planning to ensure long commitment to effective partnerships between local authorities and other key bodies and organisations. • a power to advance well being to enable LAs to work more innovatively in meeting community needs.
Community Planning; Learning and Development Strategies	<p>Included because, for many LAs, culture is specifically part of community learning and, increasingly, community planning will be the key mechanism for making better connections between national and local priorities. It also places responsibility for delivering change with those agencies and providers most able to respond.</p> <p>LAs are charged with developing Community Learning and Development Strategies given the important role in both of the main strands of the Scottish Executive’s community regeneration strategy:</p> <ul style="list-style-type: none"> • building social capital – skills, confidence, networks and resources – in communities where this is most needed. • making sure that core public services have as much positive effect as possible in disadvantaged areas. <p>A series of local Community Learning and Development Partnerships have been established recognising that objectives for community learning and development can be achieved more effectively through real partnership working and maximising use of resources.</p> <p>Given the contribution culture can make to the well-being of communities it is considered important that it is at the heart of both local and LA decision making. Community planning is thus an essential precursor for culture to be effectively resourced, delivered and integrated in every local area.</p> <p>From reviewing a small cross section of these strategies, it would appear that culture does not always feature explicitly and in great detail, although for some authorities, notably Glasgow culture is seen as central to community learning. The First Minister has acknowledged that culture can cut across agendas and it is seen as central to the Executive’s strategic vision.</p>

<p>Department for Culture, Media and Sport</p> <p>Culture (including sport) is a devolved matter so it is the Scottish Executive rather than DCMS that is responsible for government policy in Scotland. The DCMS is included in this review for comparative experience that can be of benefit to the advancement of cultural policy in Scotland.</p> <p>The DCMS is responsible for Government policy in England and Wales on the arts, sport, the National Lottery, tourism, libraries, museums and galleries, broadcasting, film, the music industry, press freedom and regulation, licensing, gambling and the historic environment.</p>	
<p>Current strategies/ policy statements/ key issues documents</p>	<p>Main priorities identified</p>
<p>Aims and objectives</p>	<p>The vision is to extend excellence and improve access in all cultural sectors. To achieve this, they have developed four strategic priorities around which they organise their work.</p> <ul style="list-style-type: none"> • children and young people - further enhance access to culture and sport for children and give them the opportunity to develop their talents to the full and enjoy the benefits of participation • communities - increase and broaden the impact of culture and sport, to enrich individual lives, strengthen communities and improve the places where people live • economy - maximise the contribution that the tourism, creative and leisure industries can make to the economy • delivery - modernise delivery by ensuring our sponsored bodies are efficient and work with others to meet the cultural and sporting needs of individuals and communities.
<p><i>Leading the Good Life</i> - Guidance on Integrating Cultural & Community Strategies, July 2004</p>	<p>Aims to promote the integration of cultural and community planning, reflecting the belief that integration will strengthen the ability of local authorities and their partners to meet community needs.</p> <p>Prompted in response to changes to the planning framework in the Local Government Act 2002 meaning that local councils are no longer required to produce free-standing Local Cultural Strategies, but should subsume these within Community Plans</p> <p>Integration of cultural and community planning will help local authorities utilise their new power to promote the well-being of their areas; promote their contribution to national and local governments' shared priorities and assist them to respond to new developments within CPA. Four key opportunities for integration are identified:</p> <ol style="list-style-type: none"> 1. Establish a strong case for the contribution of culture 2. Put the community into cultural and community planning 3. Build a strong partnership for culture 4. Build effective leadership for culture.

<p>sportscotland</p> <p>The national body for sports development in Scotland with the goal to see more people participating in sport and enjoying its benefits. They work in partnership with public, private and voluntary organisations to achieve this and as a non-departmental public body they also work closely with the Scottish Executive, advising Scottish Ministers and implementing Scottish Executive policy for sport and physical recreation.</p>	
<p>Current strategies/ policy statements/ key issues documents</p>	<p>Main priorities identified</p>
<p><i>Sport 21 2003 – 2007:</i> The National Strategy for Sport – Shaping Scotland’s Future</p>	<p>Sport 21 provides a vision for the development and delivery of Scottish sport over the coming years. The updated strategy, Sport 21: 2003 – 2007 was launched by sportscotland in 2003 maintaining a vision of Scotland as a country:</p> <ul style="list-style-type: none"> • where sport is more widely available to all • where sporting talent is recognised and nurtured • achieving and sustaining world class performances in sport. <p>The strategy sets 11 targets to be achieved by 2007, supporting an overarching goal for 60% of adult Scots to take part in sport at least once a week by 2020. The 11 targets are:</p> <ol style="list-style-type: none"> 1. 80% of primary schoolchildren to be physically active 2. to make progress towards all schoolchildren taking part in at least two hours of quality physical education classes p/w 3. 85% of those aged 13-17 to be taking part in sport, in addition to the school curriculum, more than once a week 4. 49% of those aged 14 plus in Social Inclusion Partnership areas to be taking part in sport at least once a week 5. 55% of those aged 17-24 to be taking part in sport more than twice a week 6. 43% of those 45-64 to be taking part in sport at least once a week 7. to have had over 250 Scots being medallists on the world stage 8. to have over 500 sports halls available to the public so as to ensure that 70% of the Scottish population have access to a hall within 20 minutes walk 9. to have over one million of the Scottish population playing sport in membership of clubs 10. to sustain 150,000 volunteers in their contribution to the development and delivery of Scottish sport 11. every local authority’s community planning process to have contributed to the targets of Sport 21 2003-2007. <p>The implementation process is headed up by the National Implementation Forum chaired by the Minister for Tourism, Culture and Sport, and is comprised of representatives from the key organisations in Scottish sport.</p>

sportscotland	
Current strategies/ policy statements/ key issues documents	Main priorities identified
<i>Corporate Plan 2003 - 2007</i>	<p>sportscotland's role will be to:</p> <ul style="list-style-type: none"> • invest in partnerships and the infrastructures that will deliver on the complementary targets of the sportscotland Corporate Plan and Sport 21:2003-2007. • base investment decisions on: <ul style="list-style-type: none"> - value now and value later - planning - ethics - partnership • lead on strategy and policy • forward plan • provide expertise and advice • profile and promote sport • monitor and research.
<p>The Heritage Lottery Fund</p> <p>The Heritage Lottery Fund (HLF) was set up by Parliament in 1994 to give grants to a wide range of projects involving the local, regional and national heritage of the UK. It is the UK's leading funder of heritage and the only heritage organisation that operates both across England, Northern Ireland, Scotland and Wales, funding the entire spread of heritage – including buildings, museums, natural heritage and the heritage of cultural traditions and language.</p>	
Current strategies/ policy statements/ key issues documents	Main priorities identified
<i>Broadening the Horizons of Heritage, Strategic Plan 2002-2007</i>	<ol style="list-style-type: none"> 1. to encourage more people to be involved in and make decisions about their heritage. 2. to conserve and enhance the UK's diverse cultural heritage. 3. to ensure that everyone can learn about, have access to and enjoy their heritage. 4. to achieve a more equitable distribution of grants across the UK, by making grants available to those parts of the UK and those communities which have received little funding to date.

<p>Museums, Libraries and Archives Council (MLA)</p> <p>MLA was launched in April 2000 as the strategic body national development agency working for and on behalf of museums, libraries and archives and advising government on policy and priorities for the sector. In addition the MLA provide specialist advice across the sector and co-operates with the Devolved Administrations in Scotland, Wales and Northern Ireland under an agreement setting out how they will work across the UK.</p> <p>The MLA also runs the Museum Accreditation Scheme setting nationally agreed standards for UK museums.</p>	
<p>Current strategies/ policy statements/ key issues documents</p>	<p>Main priorities identified</p>
<p><i>Operational and Strategic Plan 2004/05 and 2006/07</i></p>	<p>The following present a selection of key priorities:</p> <p>Access - contribute to community cohesion, foster and celebrate diversity and ensure accessibility at all levels</p> <p>Strategic Marketing - encourage the use of sustainable targeted marketing strategies</p> <p>Learning - ensure adoption of 'Inspiring Learning for All'</p> <p>Collections - advocate for care and access standards</p> <p>E-Society – support development of digital content</p> <p>Leadership and Advocacy - increase development opportunities and enhance inward investment</p> <p>Research and Development - demonstrate our sector's positive impact</p> <p>Standards - develop best practice standards</p> <p>Workforce development - develop workforce learning and skills</p> <p>Enabling Infrastructure - modernise delivery.</p>
<p><i>Building on Success: An Action Plan for Public Libraries, 2001</i></p>	<p>Key themes include:</p> <ul style="list-style-type: none"> • developing and sustaining new services • access to services – public libraries are powerful agents for inclusiveness. • service planning, development and quality assurance • capacity building and co-operation.

Museums, Libraries and Archives Council (MLA)	
Current strategies/ policy statements/ key issues documents	Main priorities identified
<p>A report by the Heritage Lottery Fund and Resource (in collaboration with MLA) – <i>UK Museums Needs Assessment</i>, April 2002</p>	<p>This report describes and comments on the long term and strategic needs of the museums sector in the UK, drawing together the findings of research and consultation exercises undertaken in 2000, and sets out the issues which HLF, and others, will need to address in planning their museum funding and development policies for the next decade. The principle needs of the sector are:</p> <p>Collections - a need to address issues of documentation, digitisation, care, development, usage, display and protection of collections.</p> <p>Acquisitions and disposals - investment in acquisition across all museum sectors is required, and a more coordinated approach to acquisitions and disposals is necessary if the notion of a dispersed national collection is to be developed.</p> <p>Physical Infrastructure - many museums buildings do not yet comply with the requirements of the DDA, many require modernisation and extension, some are being inadequately maintained and few are providing suitable storage for collections not on display.</p> <p>Access and inclusion – further work required to maximise museums impact on the social and economic development of their communities.</p> <p>Education and learning - more research is required into how people learn in museums, and capacity building programmes need to be put in place to enable them to deliver education and lifelong learning programmes more effectively.</p> <p>Human resources - much of the change that is required in the sector will be dependent on its ability to access suitably skilled professionals.</p> <p>ICT – if museums are going to harness the potential of existing and emerging ICT then investment in hardware, software and people are all required, and given the pace of technological change this will be an ongoing need for the foreseeable future.</p> <p>Governance and leadership - strong and able leaders will be required to steer a period of radical change and development.</p> <p>It is recognised that to achieve such change will, inevitably, require significant amounts of financial investment, as well as a cultural shift within the museums community.</p>

<p>Scottish Museums Council</p> <p>The Scottish Museums Council (SMC) is the membership organisation for local museums and galleries in Scotland.</p> <p>Their aim is to improve museum and gallery provision in Scotland for both local people and visitors. They have over 200 members who manage over 320 museums, including all 32 local authorities, universities, regimental and independent museums, and ranging in size from small voluntary trusts to large metropolitan services which attract in excess of 1 million visitors a year.</p>	
<p>Current strategies/ policy statements/ key issues documents</p>	<p>Main priorities identified</p>
<p><i>The National Audit of Scotland's Museums and Galleries, July 2002</i></p>	<p>Viewed as the first step towards a coherent national funding and policy framework for museums, the audit will inform strategic policy and planning by providing important data and conclusions on the current situation for museums in Scotland.</p> <p>Key themes for debate identified:</p> <ol style="list-style-type: none"> 1. ensure effective stewardship of the national collection 2. reform historic funding structures to address widespread inconsistency in provision 3. work in close partnership with the formal and informal education sector to make an effective contribution to learning 4. actively build museum audiences and encourage access for all 5. raise standards and modernise practice, to meet rising visitor expectations 6. increase capacity within the museum sector in order to develop and deliver services for the future.
<p><i>SMC Corporate Plan 2004- 2007</i></p>	<p>SMC's vision is – 'modern and accessible museums and galleries in Scotland that use their collections to inspire, shape identity, improve understanding, provide enjoyment and promote confidence.'</p> <p>The aim is 'to lead, in partnership, the development of museums and galleries across Scotland towards achieving the vision.'</p> <p>Priorities:</p> <ol style="list-style-type: none"> 1. advocating and communicating the crucial role of museums and galleries in contributing to the quality of life of people in Scotland. 2. promoting and enhancing access, learning and stewardship across the sector. 3. building alliances at national, regional and local levels. 4. making a positive impact on Scottish society. 5. delivering best value in terms of quality and VFM.

<p>Scottish Arts Council</p> <p>The Scottish Arts Council (SAC) are a non-departmental public body (NDPB) independent from but accountable to the Scottish Executive. The lead body for the funding, development and advocacy of the arts in Scotland, the SAC is one of the main channels for Government funding for the arts in Scotland either through the Executive or through National Lottery funds received through the DCMS.</p>	
<p>Current strategies/ policy statements/ key issues documents</p>	<p>Main priorities identified</p>
<p><i>Corporate Plan 2004/09</i></p>	<p>Vision for a confident, cultured Scotland where everyone takes part in the arts. Key aims are:</p> <ul style="list-style-type: none"> • to increase participation in the arts – through development workers, audience development programmes and a sustainable national network of theatres, galleries, arts centres, festivals, touring companies and development organisations. • to support artists in Scotland to fulfil their creative and business potential • to place the arts, culture and creativity at the heart of learning – through education and lifelong learning with recognition that the arts are a powerful way to tackle disadvantage and increase peoples quality of life. <p>This plan will be implemented through placing arts, culture and creativity at the heart of learning, supporting communities, building a stronger economy and promoting Scotland overseas.</p>

3.9 The analysis above is comprehensive but not exhaustive and it is recognised that national agencies such as the Scottish Museums and Arts Councils also produce a variety of advisory documents of strategic significance such as the SMC's Access and Learning Strategy (final draft, June 2004).

3.10 It is also recognised that there are a number of other important statutory or public sector organisations that identify a range of strategic priorities for the delivery of different aspects of culture. Appendix E outlines those organisations also reviewed as part of the Strategic Review and a brief summary of their strategic role in the delivery of culture whilst Appendix C contains a bibliography of all sources that have been reviewed as part of this study.

Key themes

3.11 Through reviewing the corporate and strategic priorities of the long list of organisations involved in the delivery of culture, it is possible to identify a series of key recurring themes. These are summarised below and supported with case study examples to highlight how these themes can be successfully addressed. Table 3.3 provides an overview of these key themes for the organisations reviewed:

Widening access

- 3.12 A major recurring theme from the strategic review, widening access is a broad term encompassing the development of stronger and safer communities and the ability of culture to contribute to social inclusion, particularly in disadvantaged communities.

Partnerships

- 3.13 Widely recognised as a key element in developing cultural service provision, partnerships are relevant across all cultural sectors and are noted as important on both a national and local level. This theme is central to the St Andrews Day speech of the First Minister in 2003:

“Everyone has a stake in the development of our culture, in shaping our future – the private sector and the voluntary sector, as well as government. If we work together it could result in the most extraordinary release of talent, and a stronger, more vibrant and confident country.”

Community planning and Community Learning and Development

- 3.14 Partnerships are also a key element of Community Planning, which is already demonstrating its potential to be a valuable strategic co-ordinating framework. Culture has the potential to form a key part of the community planning process, particularly in building ‘social capital’. This is recognised to a varying degree at present.
- 3.15 Community Learning and Development Strategies have also encouraged the development of a series of local level partnerships to help maximise the use of resources and achieve the objectives of community learning and development more effectively. Some authorities have placed culture centrally within these strategies.

Education/lifelong learning

- 3.16 A variety of Scottish initiatives reinforce the sense that the current environment presents significant opportunities for arts, culture and creativity in education. Examples include the National Cultural Strategy (Scottish Executive, 2000), *Educating for Excellence* (Scottish Executive, 2003), and the Culture, Education and Sport Committee’s report on the *Purposes of Education* (2002).
- 3.17 Such opportunities can be seized in practical ways through the National Priorities Framework for Improving Scotland’s Schools (Scottish Executive, 2000), the New Community Schools Initiative (Scottish Executive, 1999), the Arts Council supported Creative Links Officers, Cultural Coordinators in Schools or the Arts Council Lifelong Learning Strategy (Arts Council, 2004).
- 3.18 The view is widely held that it is a right of the citizens of Scotland to learn about, and have access to, their diverse culture and heritage. Culture can contribute greatly to the formal and informal education process in society but it is also noted that there is a need to understand how lifelong learning programmes can be delivered more effectively.
- 3.19 This theme also highlights the important role that the school environment has in the heart of the community, helping to meet the needs of that community, a theme that is particularly relevant for cultural provision.

Children and young people

- 3.20 Further, the emphasis on access to culture for children and young people stems from the St Andrews Day speech of 2003. Whilst there are clearly links to widening access and education, and young people are a particular focus of Sport 21, it is notable that the emphasis on young people is not explicit across all organisations.

Health and well being

- 3.21 Again, the health and well being theme is explicitly referenced in the St Andrews Day speech, with acknowledgement of the contribution that culture can make to ensure that Scotland is a healthier place. However, it is not explicitly noted by all stakeholders, which may suggest that as yet the links between culture and health are not firmly established.

Workforce/capacity development

- 3.22 The improved delivery of culture is widely noted but in order to ensure that cultural facilities and services can deliver to the themes identified there is recognition within the museums sector in particular of the importance of developing the capacity of the workforce. As noted within the UK Museums Needs Assessment of 2002 much of the change that is required within the sector will be dependent on the ability to train and utilise a suitably skilled workforce.
- 3.23 Capacity development also relates to the need to attract and retain volunteers, particularly noted for their contribution to the development and delivery of Scottish sport.

New funding investment strategies

- 3.24 A recurring theme throughout the strategic review focuses on the need for investment in cultural facilities and services. There is an acknowledged need to review historic funding mechanisms and develop new funding and investment strategies that are more reflective of the changing nature of the sector. This should include clear criteria upon which to base investment decisions as well as encouraging cultural stakeholders to tap into new investment streams.

ICT

- 3.25 The importance of ICT in making culture accessible to all has been noted by the Scottish Executive and is being taken on by SLIC through the creation of the Scottish Cultural portal.
- 3.26 There is also recognition, particularly from the museums sector, that sectors need to adapt to technological advancements in information and communication technology and to develop these areas as strengths that can help to broaden access to culture.

Economy

- 3.27 Culture has the ability to deliver economic benefits particularly through maximizing the contribution that Scotland's rich and diverse culture can make to the tourism industry.

Quality standards/best value in cultural provision

- 3.28 A major theme that has been identified by the vast majority of key stakeholders, this theme focuses on the need to put in place some clearly defined standards to ensure the sustained quality delivery of cultural facilities and services.

- 3.29 The key strategic documents recognise the need for:
- performance indicators to help ensure quality and effective outcomes for cultural provision
 - benchmarking on a local and national level
 - best value in management and delivery of cultural services.

Governance and leadership

- 3.30 The significance of governance and leadership are strongly emphasised by the Scottish Executive as they guide the development of cultural policy in Scotland. The need for effective governance and leadership within the cultural sector is seen as critical because for culture to be ‘at the core of everything we do’ (First Minister’s St Andrew’s Day Speech, 2003) the sector requires strong advocacy and leadership. This will help to increase development opportunities, improve service provision and enhance inward investment.

National framework of support

- 3.31 This is important as the principle of a national framework of support was noted in the phase 1 submissions to the Cultural Commission from both the Scottish Museums Council and the Scottish Arts Council. The principle is also identified within the National Cultural Strategy.
- 3.32 This recognition is particularly important given the broad range of stakeholders involved in the delivery of culture. Clearly, the strategic review has highlighted that there are a number of recurring themes across these organisations. Together they could provide a powerful voice for culture in Scotland.

Other themes

- 3.33 Whilst the paragraphs above highlight those themes that recur across the strategic review, there are also other themes warranting acknowledgement and they should not be ignored:
- **transport** – noted as a significant barrier and challenge that must be overcome in order to widen access to cultural services
 - **crime** – building on emerging evidence that creative options can divert youngsters and adults from crime and anti social behaviour
 - **strategic marketing** – encouraging the use of sustained targeted marketing strategies to ensure that the objectives around widening access can be achieved.
 - the need to improve the **physical infrastructure** of cultural provision, recognising the scope for rationalisation and new methods of delivery
 - the importance of ongoing **research and monitoring** into culture with regards to its positive impacts, best practice and quality standards in delivery.
- 3.34 The table overleaf provides a summary of how these key themes relate to each of the core organisations/documents reviewed. In this analysis it should be noted that the review has focused on explicit references.

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Strategic documents/ strategic emphasis of key stakeholders	Key themes for culture												
	Widening access	Partnerships	Education and lifelong learning	Children and Young People	Health/well being	Community Planning	Workforce/ capacity development	New funding/ investment strategies	ICT	Economy	Quality / best value in provision	Governance and leadership	National Framework of support
National Cultural Strategy, 2000	✓		✓					✓	✓		✓	✓	✓
St Andrews Day Speech, 2003	✓	✓		✓	✓	✓						✓	
SEED	✓			✓	✓					✓			
Scotland's School Estate Strategy	✓		✓	✓				✓			✓		
Local Government Act, 2003		✓			✓	✓					✓		
Community Learning and Development Strategies	✓	✓				✓							
DCMS	✓	✓		✓		✓				✓	✓	✓	
Sport 21 2003 – 2007: The National Strategy for Sport	✓		✓	✓	✓	✓							
sportscotland Corporate Plan 2003-2007		✓						✓				✓	
Heritage Lottery Fund – Strategic Plan 2002-2007	✓		✓					✓					
MLA Strategic Plan	✓		✓				✓	✓	✓		✓	✓	
MLA – An action plan for Public Libraries, 2001	✓						✓				✓		
UK Museums Needs Assessment, (HLF, Resource and MLA), 2002	✓		✓				✓	✓	✓	✓		✓	
The National Audit of Scotland's Museums and Galleries	✓	✓	✓				✓	✓			✓		
SMC Corporate Plan, 2004-2007	✓	✓	✓				✓				✓	✓	
SMC submission to Cultural Commission*	✓	✓	✓						✓	✓			✓
Scottish Arts Council, Corporate Plan, 2004-2009	✓		✓							✓			
Scottish Arts Council submission to Cultural Commission*	✓	✓	✓					✓			✓		✓
COSLA/VOCAL joint response to the Cultural Commission*	✓	✓	✓		✓	✓				✓		✓	✓

* referenced later in section under Rights and Entitlements

The local context

- 3.35 It is important to understand how the national context and the key themes identified relate to the work and strategic priorities of local authorities. The large number of national bodies with responsibility for culture makes it difficult to coordinate the development and implementation of national strategy and to connect national policy with local delivery.
- 3.36 The following paragraphs outline the role of local authorities in cultural provision, their priorities for culture and where appropriate supplements this with case study examples of theory into local practice to highlight how these key strategic themes can be delivered on the ground.

The role of local authorities in delivering culture

- 3.37 Local authorities are responsible for the majority of public support for cultural provision and access. Locally, they have key roles as:
- providers of cultural services and activities
 - partners and supporters of cultural activity in the voluntary and private sectors
 - representatives of the communities they serve. (*Creating Our Future... Minding Our Past*, Scottish Executive, 2000 p 57)
- 3.38 A snapshot survey of cultural provision by local authorities was conducted in 2000 as part of the work to develop the National Cultural Strategy. The survey found:
- different local authorities placed different emphases on cultural activity, and provision of facilities varied widely
 - there was significant variation in the range, type and frequency of cultural activities supported by authorities.
- 3.39 It is recognised that local authorities have a uniquely wide-ranging role in enabling culture provision. There are few areas of cultural activity that local authorities do not support, either by making provision directly or by arranging for it to be delivered by external providers. However, they do this in the absence of a detailed legislative framework.
- 3.40 Each local authority makes strategic decisions on how best to meet the needs of its area. To do so, the Scottish Executive/COSLA guidance on implementing the National Cultural Strategy suggests that they should:
- prepare a single authority-wide cultural strategy and consider service-specific plans relating to key areas of provision
 - ensure that its strategy and plans reflect the particular cultural needs of its area and communities, including those who have special needs arising from disability, age, language, race and religion
 - create a supportive infrastructure, providing adequate facilities for cultural, sporting, recreational and social activities, and libraries, in line with its statutory responsibilities

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- stimulate activity, e.g. demonstrating how culture contributes to other relevant policies including health, education, social justice, economic development and planning
- provide services, whether this is done directly, or by commissioning them from voluntary or private sector bodies, or from individuals (e.g. creative artists)
- contribute to the strategies and plans of other bodies, acting in partnership.

Case Study: Tolbooth, Stirling

This music and arts centre was cited as a best practice example by the local authority because it is 'committed to presenting a challenging international programme of contemporary music while at the same time involving young and disadvantaged people in making and performing artworks'.

Facilitated by Stirling Council's Heritage & Cultural Services arts development team, the Tolbooth is utilised for arts for all initiatives such as:

- Scotched myths - a film making project which took place across Scotland working with young people on challenging the narrow clichéd view of traditional Scottish culture by incorporating young people's views on what defines the cultural identity of being Scottish today
- Percussion residency - run by Sounds of Progress, a national music organisation that works with adults with disabilities. To deliver this 18-week residency Stirling Heritage & Cultural Services is working in partnership with Artlink Central, Camphill, Clackmannanshire Council, Riverbank Centre, Key Housing and Quality Action Group.
- Arts and criminal justice - the Tolbooth working in partnership with the Council's Criminal Justice Service, is using the arts as a vehicle to explore issues of importance to the people that the Service works with.

The redevelopment of the Tolbooth was funded by Stirling Council, the SAC, EU, Historic Scotland, Scottish Enterprise Forth Valley and the Heritage Lottery Fund.

3.41 As noted above, partnership in cultural provision is a key strategic theme to the improved provision of culture. Local authorities' cultural partner organisations are diverse, and include:

- the Scottish Executive
- the Executive's agencies (e.g. Historic Scotland)
- public bodies (e.g. Scottish Arts Council, **sportscotland**, Scottish Screen, health bodies, economic development bodies, Area Tourist Boards)
- National Lottery distributors
- cultural provider bodies (e.g. the national companies, local sports councils)

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- local groups, youth work organisations and voluntary sector bodies (e.g. YouthLink Scotland, Voluntary Arts Scotland)
 - other community planning partner organisations (e.g. social care bodies, universities, private sector bodies)
 - other local authorities.
- 3.42 Specifically in relation to effective management of cultural facilities the Scottish Executive/COSLA guidance recommends:
- periodic audit of existing facilities and provision
 - asset management plans
 - careful consideration of issues of access
 - well developed policies and procedures for health and safety
 - information on usage, including participation rates for different activities and at different times of the day/week etc and, if possible, information on the age and sex of users, where they travel from, frequency of use etc.

Case Study: Burns House Museum

An example of the impact of an investment decision by a local authority:

Purchased by East Ayrshire Council, Burns House Museum has been refurbished and given a 4 star rating from Tourist Board. It has also increased its visitor figures by approximately 40-50%. Purchasing this museum saved it from closure and ensured that both the building and collections remained open to the public.

Qualitative questionnaire analysis

- 3.43 The qualitative questionnaire distributed to all 32 local authorities in Scotland as part of this study, asked specifically for authorities to identify their top strategic objectives for the delivery of culture.
- 3.44 Key cultural aims were examined to understand any common themes between authorities. Appendix G provides an overview of the key local themes for culture. It is difficult to generalise too greatly on these results as they are not comprehensive and the respondent local authorities provided differing levels of detail. However, it is increasingly recognised that culture has additional value in that it can provide an important means of achieving and contributing to objectives beyond the cultural activity itself - both in terms of self actualisation and community and health gains.
- 3.45 This recognition at a national and local level is highlighted by the recurring themes identified above in strategic documentation from key policy stakeholders. They were confirmed in the local authority workshops held as part of this study.

- 3.46 Discussion in the workshops confirmed important common themes to be:
- ensuring equality of access to ensure provision for all citizens (especially widening access for minority groups)
 - the important role that culture has in developing lifelong learning opportunities in supporting community development
 - the importance of localised provision.
- 3.47 It is important to note that ‘access’ has different interpretations and may involve issues regarding physical remoteness from facilities, or barriers through pricing or perception. In defining access, we also need to distinguish between opportunities to be a spectator or consumer (e.g. being a member of an audience, attending a sports event, borrowing a library book), and opportunities to be a participant (e.g. creating writing, playing a sport). Both should be fully developed. This role is being strengthened through two important mechanisms - community planning and Best Value.

Case Study: Artlink

Artlink (Edinburgh and the Lothians) has been supporting opportunity and choice in the arts for people with disability since 1984, running a variety of short and long term arts programmes in Edinburgh and the Lothians including:

- escort service - enables people with a wide range of disabilities to get out and about to arts venues and events in the company of volunteer escorts
- hospital arts programmes - three art galleries and an extensive programme of participatory arts projects in hospitals throughout the Lothians.
- Arts for Mental Health - facilitates cultural participation for people with mental health problems in order to promote increased social contact and self confidence and to combat stigma.
- Community Involvement Programme - investigates methods of supporting the inclusion of people with disabilities in a range of community-based resources.
- Art of Change - arranges a wide range of arts opportunities for people with learning disabilities within their homes, community venues or in the Art of Change Studio
- Artlink Midlothian - develops centre and community-based arts activities for users with learning disabilities from the John Chant Centre in Penicuik and organises a range of arts activities for people with mental health problems in the Orchard Centre and Midlothian communities.
- Artlink West Lothian - provides community-based arts activities for people with mental health problems and also a community studio and gallery space in Broxburn.

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- 3.48 Most authorities had aims that reflected an acknowledgement that councils had a responsibility to ensure adequate local cultural provision, although no authority articulated the need for a 'cultural right' for their citizens. The closest such statement was South Lanarkshire's "to ensure that everyone in South Lanarkshire has reasonable access to arts provision". This sentiment was reflected in other forms by other authorities.
- 3.49 The responses of the 15 local authorities to the qualitative questionnaire also indicated the role that culture has to play in community planning. However, through the local authority workshops it was also noted that culture is not taking a leading or explicit role in the new Community Learning and Development Strategies being developed by local authorities. It was commented that local authority departments with a remit for culture have not been heavily involved at this stage despite the leading role that culture can play in the development of stronger, safer communities.
- 3.50 These themes are identified locally but as yet their practical outcomes are not as well developed, as structures are not yet in place to address specific services. At the same time, this also places a requirement on Cultural Service Departments to demonstrate both the relevance of culture in community life and how culture can deliver to community plan priorities.
- 3.51 Whilst nationally a strong theme to emerge was the need to ensure high quality standards in cultural provision, this theme did not emerge with the same emphasis through analysis of local priorities. Performance standards is clearly an important area in ensuring that needs of residents are being met. Section 4 examines this debate in more detail.
- 3.52 Other themes to emerge from reviewing local strategic priorities include the importance of recognising and preserving local cultural identities, the need to encourage creativity through culture, and to preserve cultural heritage.
- 3.53 On the whole there was an element of frustration from consultees that the response to the questionnaires does not fully represent the excellent work currently being carried out by local authorities in the provision of culture and may not adequately reflect the issues with which LAs must currently wrestle. It is intended that the inclusion of case study examples, both here and in Section 6, will help to provide positive examples of how these key strategic themes are currently being successfully delivered.

Case Study: The People's Network

The People's Network is a major initiative to bring internet access and online services to the whole UK population by installing PCs and broadband connections throughout the public library network. Funding has been provided by the New Opportunities Fund for 3 main areas of development:

- to develop infrastructure, providing the network, equipment and PCs
- for training all library staff in ICT
- for content creation.

In Scotland the People's Network provides over 2500 PCs, bringing the total of public access PCs in libraries to 3500. To support the People's Network over 4400 library staff will complete the European Computing Driving Licence (ECDL) or an equivalent qualification.

All 557 libraries in Scotland are now connected to the People's Network. This represents 8.5 million hours of free access to ICT and the Internet available in public libraries and is attributed to the increasing throughput in libraries at a time when book borrowing is on the decrease. It also reinforces the need to diversify services and adapt to new trends.

A report evaluating the impact of the People's Network reinforced these positive messages suggesting that lives are changed for the better as new learning opportunities are grasped, people find new ways to communicate, communities are enriched and social barriers are breached.

Rights and entitlements

What is cultural identity?

- 3.54 This issue was raised in the local authority workshops. It is clearly central to the debate and does need to be addressed in any definition of rights and entitlements to access to culture. Whilst this study is primarily focused on a heritage/arts definition of culture, in recognition of the work that **sportscotland** have completed on sports, the European definition of culture, which spans arts, sport, heritage, science, environment and language, would appear to present the widest and most useful definition.
- 3.55 Scotland is a diverse land, with significant differences in community life reflecting the degree of urbanisation, regional traditions and ethnic influences that variously exist. The central belt experience of culture in Glasgow and Edinburgh will differ from other smaller urban centres like Dundee and Stirling. Added to this are the special challenges of making culture available and relevant to Scotland's many varied rural communities, regional traditions (e.g. the Doric culture in the North East) and ethnic influences which all serve to present particular local circumstances and requirements.

Cultural rights

- 3.56 The following paragraphs summarise the phase one consultation submissions of the Scottish Museums Council, Scottish Arts Council and COSLA/VOCAL to the Cultural Commission. An overview of these submissions is included because of the central strategic role of these organisations although this report does not necessarily endorse the principles contained within these submissions:

SMC and Scottish Museums and Galleries Working Group: Submission to Cultural Commission - Phase 1 consultation

- 3.57 The following main priorities are identified:
- delivering the vision - through the development of a Scottish Museums Partnership that will see national and non-national museums working together in partnership; this would be supported by a museums strategic agency and work as a sustainable network that shares collections, resources and expertise
 - education - greater recognition of and support for the role that museums play within the education system
 - importance of ICT to provide universal digital access to cultural resources
 - recommendations for developing a proactive relationship with Scotland's tourist industry
 - promotion of cultural diversity
 - working in partnership with VisitScotland and Scottish Enterprise to broaden the appeal and audience for cultural activities.

Towards a Cultured, Creative Scotland - Scottish Arts Council submission to the Cultural Commission

3.58 The following points summarise the initial views and recommendations of the Scottish Arts Council for the future delivery of culture:

- a new National Cultural Partnership, whose members represent national cultural interests, could be an approach to structural concerns, with policy direction set by a new Minister for Culture in the Cabinet. The SAC could lead this partnership
- need for ambition in the scope and quality of what is on offer through increased investment and more effective partnerships
- requirement for more effective strategic planning that recognises the need for national standards but accommodates the interests of cultural partners and reflects the cultural nuances of different parts of Scotland. Propose the idea of Regional Planning Forums
- there is a need to develop non-lottery investment in the physical infrastructure, and to support an investment plan with a national overview
- there must be equality of opportunity
- lifelong learning viewed as crucial and lifelong access to the arts should sit alongside it. Schools should be 24/7 resources for the community.

COSLA/VOCAL perspective – ‘Cultural Vision’

3.59 COSLA and VOCAL submitted a joint response to the Cultural Commission that has the establishment of a series of cultural rights and entitlements and the strengthening of democratic accountability as the cornerstones of their recommendations. The joint response notes that:

“these ambitions could be achieved by a number of measures including a new National Culture Bill to enshrine these rights in legislation, and a dedicated Ministry of Culture which would assume responsibility in some key areas.”
(COSLA/VOCAL 2005).

3.60 The following priorities were outlined within their submission:

- both bodies recognised that cultural diversity and cultural citizenship are key to the sustainable development of healthy communities and the growth of personal creativity
- putting creativity centre stage within cultural development seen as critical to drive the success of a modern nation
- broader and more inclusive definition of culture needed - museums, galleries and libraries linked to contemporary art forms; sport, heritage and parks plus community and commercially driven cultural activities to engage a far wider audience
- key requirements are the establishment of a series of cultural rights and entitlements and the strengthening of democratic accountability – via National Culture Bill and dedicated Ministry of Culture

- community planning seen as key strategic policy process, with recommendation for mandatory Local Cultural Strategies to sit within the Community Planning Framework
- new cultural agenda requires an integrated response from local authorities embracing all council services from education and social work, through housing, transport and economic development to planning and the cultural and leisure services
- structural changes and re-alignments are needed to increase accountability and reduce duplication.

3.61 COSLA/VOCAL recognise that:

“the cross cutting agenda heralded by the First Minister’s St Andrews Day speech requires...an integrated response from local authorities embracing all council services from education and social work, through housing, transport and economic development to planning and the cultural and leisure services themselves. Complementary policy development would work to establish broad cultural rights allowing every citizen to explore and sample a diverse cultural menu alongside rights to health, well-being and education within a safe, high quality environment.” (COSLA/VOCAL 2005).

3.62 Their joint submission notes that cultural rights can make a significant difference to regeneration and community development and identifies a number of proposed cultural rights:

- the right to explore, express and extend cultural identity - every citizen in Scotland should have the right to experience the diversity of Scotland’s cultures and those of other cultures
- the right to develop cultural talents and interests - every citizen in Scotland should have the right to fulfil their creative potential through participation, and the development of their talent
- the right to literacies - every citizen in Scotland should have the right to education ensuring essential reading, writing numerical and IT skills
- the right to health and wellbeing - every citizen in Scotland should have the right to a general sense of health and wellbeing through participation in cultural, recreational and social activities
- the right to a pleasant high quality environment - every citizen in Scotland should have the right to an environment offering local distinctiveness, variety and beauty which protects local cultural heritage and public spaces
- the right to help shape and design cultural policy and provisions - every citizen in Scotland should have the opportunity of helping to determine local cultural policies and provision.”

3.63 The submission then notes that delivering those rights requires an adequate level of resources and provision. It also stresses that an audit of existing levels at both national and local levels is an urgent priority.

- 3.64 The Cultural Commission has indicated that the current direction of their thinking is towards the establishment of rights and entitlements to culture for Scottish citizens. Discussion has raised the prospect of a Cultural Bill that would establish cultural rights, delivered to citizens via local entitlements. A framework enshrined in law is seen to be a sufficiently strong commitment to ensuring the right to culture is comparable to a child's right to education. Cultural rights would then be defined in a series of standards, agreed with the appropriate sector leaders and delivery organisations, which would then form the agenda for delivery by local authorities via local entitlements.
- 3.65 Questions raised by this approach in the workshops focused on three key areas:
- the link between rights and consumption: how can the award of access rights be translated effectively into take-up of services?
 - the articulation and definition of the content of entitlements: most individuals are unlikely to be demanding cultural rights so interest groups and some (unrepresentative) individuals are likely to drive demand; how is latent demand as well as expressed demand to be satisfied? how is 'need' to be defined?
 - balancing the vision for culture against available resources: will cultural rights help LAs to bid for cultural resources? will cultural budgets relate to defined entitlements?

Linkage to other strategic processes

- 3.66 Most local authorities in the workshop discussions agreed that the community planning process offered the best key to operationalising cultural rights and entitlements. Community planning is relatively new in Scotland but already some pilot authorities like Stirling are showing how inclusive a process it can be. The context, however, is challenging, with words like 'culture' and 'arts' often excluded.
- 3.67 There would seem to be a need to urge councils to demonstrate the relevance of culture in community life and to the delivery of community plan priorities. The community planning process is not yet mature and structures do not yet appear to exist to include culture in the community planning process, although some authorities, for example Stirling, are developing these. This is to be encouraged in our view.
- 3.68 Another example of good practice is including culture in community learning strategies. A self evaluation process is a central component of these strategies, which is valuable and gives an opportunity for rigorous performance review.
- 3.69 In addition, the linkage of cultural strategies to other community focused strategies, for example, health improvement plans is seen as important and effective. There is growing evidence of the value of cultural life and participation in cultural activity producing health gains and other agencies need to be brought into the rights and entitlements debate to ensure they have the opportunity to define what outputs and outcomes they would expect to see from an established right to cultural participation.

Summary of the strategic context for culture in Scotland

- 3.70 The issue that stands out from this analysis is the recognition that cultural and leisure services have an instrumental role as well as intrinsic value, and there is a need for those key stakeholders to ensure that this recognition is converted into tangible outcomes.
- 3.71 These key themes identified will be important in shaping the debates regarding the future use of cultural facilities and in guiding strategic development decisions. They will also be valuable in helping to identify the areas of consensus from which an understanding of cultural entitlements can be developed.
- 3.72 In general terms, there is a strong synergy in the priorities of organisations at a national level and the strategic priorities of local authorities. Whilst this consensus is not surprising it is reassuring in the development of a coordinated framework for culture in Scotland.
- 3.73 The issue at both a national and local level is the degree to which these strategic priorities are being practically implemented. The case study overleaf is a good practice example that meets many of the strategic priorities identified for Scotland. The challenge moving forwards is to ensure that the opportunities for culture to be at the forefront of Scottish life can be capitalised upon, including those opportunities for partnership and maximising the use of resources.

Case Study: Chicken Shed

A best practice example highlighting many of the key strategic themes for culture in Scotland.

Founded in 1974, the aim of the company is to produce entertaining work and to open the performing arts to all. Chicken Shed is open to people irrespective of background and encourages the active creative participation of those who would usually be at risk of exclusion through factors of health, social development, or ethnic diversity. Today the Chicken Shed runs:

- a theatre company
- an inclusive theatre education workshop programme for nearly 700 members from the ages of 5 –24 (550 up to the age of 18)
- the children's and youth theatre is the largest in Europe, with a membership nearing 700
- the only inclusive BTEC National Diploma in Performing Arts in England
- Postgraduate Certificate in Inclusivity in the Performing Arts in partnership with Middlesex University
- special interactive performances to pre-school children and their parents/carers
- training and work experience for young people in performance and theatre production
- training in inclusive practice through workshops and seminars to a range of professionals from the fields of education, social services and health
- a community facility that is completely accessible physically
- a national training and development programme with mainstream and special educational needs schools that has already established 15 new inclusive children's and youth theatre companies across the country. Three current projects (in Islington, Lambeth and Southwark) are instigated and supported by the Department for Education and Skills as part of their London Challenge initiative, helping to change the lives and educational opportunities of young people in London.

Access

The company is renowned for its pioneering work in inclusive theatre and is constantly reviewing and upgrading both its physical access and specialist equipment e.g. infra red hearing loop system to all performance and student work spaces, signed performances and stage text for main house shows, touch tours and audio described performances available for all productions, Braille printing, speech recognition software and other access aids – links with Middlesex University design facilities also provide specialist access props and aids for performance.

Sustainability

The company has been running since 1974 and turnover is now £2m, a figure that needs to be raised each year in order to keep the theatre and activities running. A wide range of corporate patrons and sponsors, Trusts, Foundations and grant providers, and individual patrons support the company. The Chicken Shed Theatre Company has recently been selected as BSKyB's Make it Big Charity Partner which is the first major long term commitment from a commercial partner to help support the expansion of their activities.

Performance standards for cultural services

Introduction

- 4.1 This section of the report presents a discussion on performance standards and benchmarks within leisure and cultural provision with the aim of recommending the most appropriate way to proceed in establishing a series of aspirational goals for achieving consistently high standards and levels of provision across Scotland.
- 4.2 Reviewing and managing resources and performance is vital in ensuring that a council's activities follow the best value mantra: economy, efficiency and effectiveness. Whilst the principles of performance management are relatively straightforward to comprehend - how capacity, resources and people are managed to deliver your ambitions - achieving effective performance management is considered to be a difficult task.
- 4.3 Specifically this section aims to,
- “advise the Cultural Commission on best practice and standards of provision to assist self evaluation, improvement planning and consistency in the range of provision made by local authorities within their leisure and cultural remits.”*
- 4.4 In examining the issues regarding performance standards for culture it is important to recognise the difference between the strategic performance of local authority cultural service departments and the front end delivery through individual facilities.
- 4.5 The following areas are covered:
- a review of existing performance monitoring measures and proposals across the UK including:
 - the current Scottish context including:
 - Audit Scotland
 - performance standards used by local authorities
 - VOCAL
 - Quality Management in Education
 - **sportscotland**.
 - lessons from England Wales:
 - DCMS
 - Audit Commission
 - IDeA Knowledge
 - The Improvement Network
 - Performance Management, Measurement and Information project (PMMI)
 - Library of Local Performance Indicators.

- other quality assurance models including:
 - EFQM Excellence Model
 - Quest
 - The Accreditation Scheme for Museums in the UK
 - Chartermark.
- a discussion regarding the current understanding of what can be measured in relation to performance standards within cultural services, what constitutes success and what can be learnt from best practice examples
- an evaluation of specific challenges faced by local authorities in Scotland including recommendations for the most suitable method to proceed in the establishment of a set of universal standards for performance monitoring for cultural provision.

Performance monitoring – the current situation

The Scottish context

Audit Scotland

- 4.6 The Accounts Commission in Scotland is a statutory, independent body that, through auditing, assists local authorities in Scotland to achieve the highest standards of financial stewardship. Audit Scotland was set up in 2000 and has the role to provide the Auditor General and the Accounts Commission with the services they need to carry out their duties and ensure that the Scottish Executive and public sector bodies are held to account for the proper, efficient and effective use of funds.
- 4.7 In relation to performance standards, the Accounts Commission has a statutory responsibility to specify information that councils must publish about their performance, in the form of statutory performance indicators. The information is collected and published locally by each council after being checked by its auditor. The Commission then publishes information about the comparative performance of councils across Scotland by council and by service specific reports.
- 4.8 Cultural and community services are included in this performance analysis with Table 4.1 providing a breakdown of the specific performance indicators assessed and a series of relevant issues (many noted by Audit Scotland themselves):

Table 4.1 – Audit Scotland PIs for cultural and community services

Service area	Performance indicator	Points to note
Sport and Leisure Management	The number of attendances per 1,000 population for swimming pools	Does not account for variance between individual facilities Does not record number of users – so cannot tell whether the figure is a result of high usage by a small number of people.
	The number of attendances per 1,000 population for other indoor sport and leisure facilities, excluding pools in a combined complex	As above
Museums	The number of museums operated by or financially supported by the Council	Does not account for level of support, scale of facilities or quality of provision
	The % of these which are registered under the Museums and Galleries Commission (MGC) registration scheme	Not all museums meet the definition and some are therefore not eligible for registration with the MGC

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Service area	Performance indicator	Points to note
Libraries	Book requests: the average time to satisfy book requests	Performance will be affected by external factors such as level of publisher's stocks or speed of response of distribution companies
	Changes in library stock (adult lending stock and children's and teenage lending stock): Recommended national target for annual number of additions per 1,000 population Actual additions per 1,000 population Stock at year end per 1,000 population	Changes will be affected by the level of demand and not just a national standard
	Borrowers from public libraries: a) borrowers as a % of resident population b) average number of issues per borrower	Despite the importance for the provision of management information some councils have yet to introduce computerised library systems
	Learning centre and access point users: a) the number of users as a % of the resident population b) the number of times the terminals are used per 1,000 population.	This reflects the government's commitment to lifelong learning and improving ICT skills. Councils are responsible for developing the use of these facilities. Provision for schools is excluded.

- 4.9 Discussion in the local authority workshops revealed that most councils' felt these measures were inadequate in determining the quality of cultural services provided and that improved measures of performance needed to be developed.

The current context within local authorities

- 4.10 Section C of the qualitative questionnaire was designed to evaluate what procedures LAs have in place for monitoring and benchmarking the performance of cultural services/facilities. Of the 14 respondent councils, 12 provided responses to this question. These varied between lists of individual performance indicators (PIs) used through to a broad overview of performance monitoring.

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- 4.11 In analysing the responses provided, it is important to draw the distinction between PIs designed to benchmark the performance of councils as a whole and those designed to benchmark the performance of individual facilities and services. In many instances the origin of PIs has not been identified and this makes it difficult to identify common PIs across authorities. The varying degrees of detail in which authorities have responded to the questionnaire added to the analytical complexity.
- 4.12 There are a number of statutory PIs in the Libraries and Museums sectors (noted above). With regards to libraries, these were identified by only eight of the 15 respondent councils. Whilst this does not mean that the other councils are not using these PIs it does present some concern that these statutory PIs are not central to the performance monitoring of councils' cultural services. The response from the local authority workshops indicated this is because they are not deemed of sufficient value.
- 4.13 PIs for museums are used as national comparators between councils and do not focus on the performance of individual facilities. Some authorities recorded negative comments regarding the usefulness of these indicators and it was noted that they are currently under review.
- 4.14 In addition to those statutory PIs, under the heading of arts development, North Lanarkshire identified three PIs that are benchmarked against 16 other LAs. These were tutors' hourly rate, availability of concessions and charges for community classes. No further details were provided but this highlights the recognition by some LAs of the need to benchmark their facilities and services against similar facilities and services across the country.
- 4.15 Other sources for PIs include *How Good is our School?* (HM Inspectorate of Education, 2002) *How Good is our Community and Learning Development* (HM Inspectorate of Education) and CIPFA. It is clear that local authorities also choose to include a number of local indicators.
- 4.16 An example of a local authority which appears to have comprehensive performance measures in place is South Lanarkshire which, in addition to the statutory PIs, identified Business Performance Indicators, related to attendance levels, income targets, events programmes, partnerships in operation and customer satisfaction. Each section within Facilities and Cultural Services submits four-weekly PIs that are reported against the Annual Business Plan and the figures are reported on a service wide basis. South Lanarkshire Council is in the process of producing a core suite of PIs to reflect performance on an individual facility basis (and in some cases down to actual performance/room space) as well as on an event by event basis where appropriate.
- 4.17 In summary, there appear to be an inadequate number and range of PIs that can be used to benchmark LA services and facilities against each other on a national basis. A great many of the PIs presently utilised would appear to be specific to an individual authority and therefore are only relevant in local benchmarking.
- 4.18 Of those PIs identified, it is apparent that councils are assessing the same areas of performance but utilising different PIs to do so. Without consistency in the measures applied, successful benchmarking across cultural services and facilities within Scotland is unlikely to be effective and this was recognised in the workshop discussions.

- 4.19 Whilst many of the PIs identified relate to usage or finance there are further measures relating specifically to quality of service. These include:
- national accreditation scheme for museums
 - QUEST – currently applied in the sport and leisure sector.
- 4.20 At least two authorities noted the use of performance monitoring in relation to measuring progress against local Corporate or Strategic Plans. Another authority, Aberdeenshire, noted that a new performance management and reporting system is being developed to monitor performance against targets in strategic plans. It is unclear, however, how the PIs identified by other authorities form part of the monitoring and evaluation of local strategic plans for culture.

VOCAL Quality Assurance Model

- 4.21 In recognition of the growing desire to ensure quality in the management of local government services and to be able to produce evidence about performance VOCAL (the Voice of Chief Officers of Cultural, Community and Leisure Services in Scotland) established a working group to provide those responsible for local authority cultural and leisure services with a model that would support quality management and establish a basis for planning continuous improvement. At this stage the model is in draft form only and VOCAL have kindly shared their work to date in order to help contribute to the debate.
- 4.22 The draft borrows the framework of the European Foundation for Quality Management (EFQM) Excellence Model and is noted as similar to Sport England's Towards an Excellent Service Framework (TAES). The model sets out criteria for assuring quality in the management of cultural and leisure services under seven themes.
- 4.23 Within each theme are several criteria against which performance can be assessed. For each of the criteria a list of indicators of good practice is provided. It was felt to be more appropriate to produce a list of actions/evidence that would be expected in relation to a range of themes and criteria as opposed to PIs per se. The lists are intended to give a guide to good practice and there may be additional measures that individual councils would wish to include to take account of local circumstances. Given the wide variety of PIs currently adopted, this would seem to be a likely scenario.
- 4.24 The model is intended as a basis for evaluating a council's approach to managing cultural and leisure services rather than the performance of specific departments. The model does not set out standards of provision for specific cultural services.
- 4.25 Of the seven key themes, the first six are concerned essentially with inputs. Section 7 of the scheme examines the results that are achieved as a result of the actions taken in Sections 1 to 6. The table overleaf provides an overview of the key themes and presents illustrative measures for achieving excellence:

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Table 4.2 – Quality Management in Cultural and Leisure Services – draft model

Theme	Rationale	Illustrative measures for achieving excellence	Key points
1. Leadership	<p>To measure the extent to which those leading Cultural and Leisure Services:</p> <ul style="list-style-type: none"> develop a vision and promote the values that underpin the delivery of these services are personally involved in ensuring management systems for cultural and leisure services are developed, implemented and continuously improved are involved with the users of services, partners and community representatives motivate, support and recognise people in the organisation 	<p>1.1 Leader's involvement in developing the vision and values of the service and promoting a culture of excellence</p> <p>1.2 Leader's personal involvement in ensuring management systems for cultural and leisure services are developed, implemented and continuously improved</p> <p>1.3 Leader's involvement with service users, partners and community representatives</p> <p>1.4 Leaders motivate, support and recognise staff</p>	<p>Recognition that leaders are key drivers in setting strategic direction and ensuring services are organised to deliver plans and provide quality. In addition to their organisational skills they require personal qualities to motivate staff and gain the confidence of politicians, partners and other stakeholders.</p>
2. Policy and Strategy	<p>To establish</p> <ul style="list-style-type: none"> if the council has policies and strategies covering all core cultural and leisure services the extent to which the Council's cultural and leisure plans and strategies reflect national policy 	<p>2.1 Cultural and Leisure Strategies</p> <p>2.2 Alignment of cultural and leisure strategies with national policy</p> <p>2.3 Embedding cultural and leisure policies and strategies in the community planning process</p>	<p>The National Cultural Strategy and Sport 21 indicate how important local government is to the achievement of national policy objectives.</p> <p>Section 3 noted how cultural and leisure services have an instrumental role in contributing to wider social and health outcomes as well as intrinsic value.</p>

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Theme	Rationale	Illustrative measures for achieving excellence	Key points
	<ul style="list-style-type: none"> • how effectively cultural and leisure plans relate to community planning. • how information from performance measurement, research, creativity and learning influence the council's cultural and leisure policies and strategies • how cultural and leisure policies and strategies are developed reviewed and updated 	<p>2.4 Development, review and updating Cultural and Leisure Strategies and plans</p> <p>2.5 Cultural and Leisure policies, plans and strategies are deployed through a framework of key processes</p>	<p>The community planning process enables local priorities to be considered as councils engage with communities to identify local needs and aspirations and to respond to these through greater integration of their own services and working in partnership with local partner organisations.</p> <p>Recognition that information from performance measurement is used to adapt and improve cultural and leisure strategies</p>
<p>3. Human Resources</p>	<p>To establish how well:</p> <ul style="list-style-type: none"> • human resource requirements for the Cultural and Leisure Services are planned, managed, improved • the knowledge and competencies of staff employed are identified, developed and sustained • the council communicates with the people involved in the delivery of its cultural and leisure services • staff and volunteers involved are cared for, involved, empowered and their contributions recognised 	<p>3.1 Planning, managing and improving human resources</p> <p>3.2 Knowledge and competencies of staff</p> <p>3.3 Communication</p> <p>3.4 Care, involvement, empowerment and recognition of people in the service</p>	<p>In line with an emerging theme from the strategic review is the identified importance of human resources in the delivery of cultural services.</p>
<p>4. Finance, assets, technology and information</p>	<p>The level and quality of cultural and leisure services provided by the council depends on the level and quality resources that are available. Theme 4 looks to establish how some of these key resources and managed.</p>	<p>4.1 Financial resources:</p> <ul style="list-style-type: none"> a) Alignment with strategic priorities b) Budget management and control c) Procedures for procurement 	<p>Capital requirements for new facilities /major service improvements are identified through a systematic assessment of gaps between supply and demand for each cultural and leisure service throughout the council area</p>

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Theme	Rationale	Illustrative measures for achieving excellence	Key points
<p>4. Finance, assets, technology and information</p>		<p>4.2 Management of facilities, equipment and materials</p> <p>4.3 Management of technology</p> <p>4.4 The organisation and management of information and knowledge to improve services</p>	<p>Information on Lottery sports, arts and heritage programmes and other potential sources of funding are obtained and disseminated to staff.</p> <p>There is collaboration with partners to secure additional resources for delivering strategic objectives/priorities.</p> <p>There are clear policies and procedures for procuring services which allow options for delivering each core cultural and leisure service to be considered e.g. alternatives to in-house management such as Trusts, provision by partner organisations</p> <p>Information collected and analysed in relation to use of cultural and leisure facilities and participation, which can then be used to improve services</p> <p>There is an asset management plan based on detailed information on the condition of buildings and their cost-effectiveness</p>
<p>5. Partnership, community engagement, and consultation</p>	<p>The statutory requirements of community planning and emphasis upon partnership and engagement</p> <p>It is likely that other organizations in addition to the Council will play a part in providing cultural and leisure opportunities. The Council will require the broad overview of how best to ensure adequate provision.</p>	<p>5.1 Partnerships</p> <p>5.2 Consultation and community engagement</p>	<p>Councils should ensure that cultural and leisure strategies reflect both their own provision and also how this can be coordinated with other providers.</p> <p>A need for partners to agree the strategic priorities laid out in local cultural strategies</p> <p>Communities are involved in shaping strategic priorities and initiatives.</p>

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Theme	Rationale	Illustrative measures for achieving excellence	Key points
<p>6. Processes</p>	<p>The implementation of the council's policies and strategies for culture and leisure, ensuring that leadership is effective and those arrangements for managing people, resources and partnerships are successful depends on having well developed processes. Councils need to determine the particular processes they require to assure quality in relation to the subjects covered in the previous sections.</p>	<p>6.1 Systematic design and operation of processes 6.2 Decision making process 6.3 Service delivery 6.4 Management processes</p> <ul style="list-style-type: none"> a) operational and administrative processes b) performance management and continuous improvement. 	<p>Appropriate systems have been identified for planning, managing and delivering cultural and leisure services e.g. QUEST for sports facilities and sports development, RESOURCE registration standards for museums,</p> <p>In relation to Performance Management challenging, clear and measurable targets are set for all key areas of performance.</p> <p>Information is gathered on performance in all key performance areas and the validity of data can be verified.</p> <p>CT and other information systems support the production and analysis of performance information.</p> <p>Performance information is shared and reviewed on a regular basis (i.e. not less than every quarter) and action is taken to improve performance when necessary</p> <p>Performance information is reported to the appropriate stakeholders at least once per year and their views are taken into account in identifying actions for improvements</p> <p>Continuous Improvement Plans in place.</p>

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Theme	Rationale	Illustrative measures for achieving excellence	Key points
<p>7. Key Performance Results</p>	<p>Ultimately services must be judged on the results that are attained. It should be possible to link results to the actions that are planned in relation to the criteria in Sections 1 to 6.</p>	<p>7.1 Impact on usage of services 7.2 Financial performance and the use of assets and information 7.3 The motivation and performance of staff and volunteers 7.4 Impact on society</p>	<p>Comparisons should be made with the results achieved by other LAs and organisations providing similar services.</p> <p>Performance should be benchmarked with those who are “best in class”.</p> <p>Councils should track trends in performance over a period of years to establish where they are making progress and where improvements are needed.</p> <p>Results should be measured through the use of PI statistics and by gathering information on the perceptions of staff, services users and other stakeholders.</p>

- 4.26 With reference to Section 7 of the scheme, it is recognised that measuring the impact of cultural services on society is extremely difficult as results take years to manifest themselves. It is also difficult to link social improvements directly to a particular service, with many potential intervening variables in play. VOCAL has, however, suggested the following indicators which are considered useful indicators of the impact of cultural and leisure services on communities:
- increase in participation in cultural and leisure services particularly by people in disadvantaged areas or among groups where participation has traditionally been low e.g. middle aged and older people, young women, disabled people, people on low incomes
 - the extent to which cultural and leisure services have led to improvements in health. Possible ways of measuring this are:
 - the number of initiatives undertaken with health boards
 - the number of people taking part in physical activity on a regular basis as a result of promotions by Cultural and Leisure Services departments
 - the number of people referred by GPs and services such as social work and participating in cultural and leisure activities as a result.
 - reductions in crime rates in local communities following the introduction of new cultural and leisure activities and/or new facilities provided or supported by the council
 - economic benefits such as employment created and spending on local services that can be attributed to cultural and leisure facilities and services provided or supported by the council. This can be measured through economic impact assessments
 - public perceptions of the benefits of cultural and leisure services measured through surveys, citizens panels etc.
- 4.27 There are several reasons why VOCAL moved away from developing a hybrid model but it appears to be chiefly because self-evaluation is likely to prove difficult for local authorities. Instead they have adopted an approach which encourages the use of one of the self evaluation models developed by Quality Scotland/British Quality Foundation and to encourage people to seek support from such bodies when carrying out self evaluation, at least for the first time.
- 4.28 The model would be used for cultural services generally and has not been tailored to specific cultural sectors. Similarly, it would not be applicable to assessment of individual facilities. It is considered that alternative options require investigation to refine and possibly complement the approach.
- 4.29 VOCAL note that the aspect of the model that is causing most difficulty is Results. There has been much debate about whether national standards could be developed or whether councils should be left to establish what results are appropriate for them. The final result could be a combination of the two approaches.
- 4.30 It has been noted that this work now requires further expertise and VOCAL has indicated that it could prove beneficial if Scottish Arts Council, **sportscotland**, Scottish Museums Council, Scottish Libraries and Information Council, VOCAL and others could collaborate to develop a Quality Assurance framework for culture.

Quality Management in Education (QMIE)

- 4.31 QMIE provides a framework for self-evaluation and external scrutiny through inspection of the education functions of local authorities in Scotland. It is intended primarily for Chief Executives, for managers of education services in councils and for the elected members who set the context for delivery of education in their area.
- 4.32 *Improving our Schools* (Scottish Executive, 1999) set out the commitment of the Scottish Executive to ensure a world-class school system for Scotland. The Executive stated its commitment to a partnership amongst itself, local authorities and schools to foster excellence in schools through continuous improvement.
- 4.33 A framework for planning for continuous improvement was set out in the Standards in Scotland's Schools etc Act. The Quality Initiative in Scottish Schools (QISS) describes a number of related initiatives agreed in partnership among schools, education authorities and the Scottish Executive Education Department (SEED) to raise educational standards. As part of QISS, rigorous self-evaluation as a basis for planning for improvement is becoming an established feature of Scottish education. It is founded on the use across all schools of the set of performance indicators (PIs) - *How good is our school?* (HM Inspectorate of Education, 2002) together with associated guidance material and staff development in self-evaluation and quality improvement.
- 4.34 The purpose of the QMIE publication is two-fold. It is to assist local authorities in the evaluation of their own systems of quality assurance and educational development, or 'quality development' as it is increasingly known, and to set out the quality indicators which will provide the basis for external inspection and Best Value scrutiny of the education functions of local authorities.
- 4.35 Through self-evaluation, authorities will be supported in:
- providing continuously-improving services in their area
 - meeting the responsibilities set out in the Standards in Scotland's Schools etc. Act
 - meeting the requirements of Best Value.
- 4.36 This scheme reflects the growing impetus to promote self-evaluation in local government services both as a basis for improvement in service delivery and as a contribution to demonstrating that local government is providing value for money to the communities served.
- 4.37 The indicators used are qualitative in nature. They relate to broad areas of activity that are of fundamental importance in considering quality development and related activities at local authority level. Although described as aspects of provision, they can be broken down into detectable, or practical, features that will subsequently enable evidence to be gathered and evaluations made of whether provision is judged to be very good, good, fair or unsatisfactory.
- 4.38 It is noted that qualitative and quantitative evaluations work best where they are used together. Quantitative indicators may be limited because they rely on collectable data that may not fully reflect the complexity of performance. Qualitative indicators may be limited in that they may not have precise enough language to ensure total consistency across all evaluators.

4.39 *How good is our school?* (HM Inspectorate of Education, 2002) is designed, to help headteachers and teachers in school self-evaluation and to assist education authority officials in discharging their responsibilities for quality assurance. It is considered that the strength of this set of quality indicators is that it is used in external evaluation by HM Inspectors as well as in self-evaluation by schools and by local authorities in quality assurance procedures. As a result, it provides an opportunity to continue the partnership at all levels of the education system that is central to The Quality Initiative in Scottish Schools.

4.40 It uses the term 'quality' rather than 'performance' indicators to reflect the qualitative nature of the judgements to be made and to distinguish them from straightforward quantitative or statistical measures. There are three key questions to answer within the initiative: how are we doing? how do we know? what are we going to do about it now?

Sportscotland

4.41 In consultation with **sportscotland**, it was acknowledged that at present there are no specific performance standards or benchmarks in place to assess the operational effectiveness or efficiency of different types of sports facilities in Scotland. Through their auditing of facility supply they do collect operational information but acknowledge that this is not as robust as they would like.

4.42 It was noted that **sportscotland** promote the Quest scheme (see below) which is one method of ensuring that sports facilities adopt quality standards in their delivery.

Lessons from England and Wales

4.43 As in Scotland, performance management is becoming increasingly important and the debate on ways of improving measurement in the cultural sector in England and Wales may help us focus on the key issues for Scotland.

4.44 The March 2004 joint Treasury and Cabinet Office Devolved Decision Making Review stressed that the reduction of national targets had to be coupled with increasing confidence in the performance management arrangements of locally administered public bodies. In addition, in the biennial Treasury comprehensive spending review (summer 2004), public bodies are encouraged to invest in performance management frameworks, including considering whether IT can support their Performance Management arrangements.

4.45 In essence this means:

- councils will need to incorporate nationally agreed priorities and standards into their strategic objectives and targets
- arrangements will need to be made around LPSAs to deliver accelerated improvements in priority services
- councils need to continue to use Best Value to manage improvement across all services.

4.46 DCMS and the Audit Commission in England and Wales are consulting on a proposed revision of the CPA (Comprehensive Performance Assessment) framework to include a 'culture' block rather than the previous narrow focus on leisure (really only sport) and libraries.

- 4.47 Not surprisingly, they have encountered problems with identifying suitable indicators for this block relating to past attempts to measure cultural performance.
- 4.48 DCMS acknowledges the urgent need to improve the role and status of culture in a local authority's performance assessment. This is in the context of the main issues on the government's agenda - efficiency gains, which will produce more revenue funding for the front line (Review of Civil Procurement in Central Government, Peter Gershon, 1999), and for services to children and young people, who are at the heart of current government policy.

Audit Commission

- 4.49 The Audit Commission has an important role in promoting the use of performance indicators. It was responsible for defining, collecting and publishing national Audit Commission Performance Indicators (ACPIs), and now runs a helpline on the Best Value Performance Indicators (BVPIs). The Commission also provides guidance on the use of PIs and has developed a Library of Local Performance Indicators containing definitions of PIs that local authorities may use on a voluntary basis.
- 4.50 The Local Government Act 2000 gave local authorities new powers to promote the social, economic and environmental well being of their area. This includes a duty to work with partners to produce a community strategy. The Commission has also developed a set of Quality of Life Indicators for use in these strategies.
- 4.51 *Guidance on Best Value performance indicators for 2003/04* (Audit Scotland, 2004) breaks down 10 areas for specific Best Value Performance Indicators. Each area has separate priorities although there are key themes overriding the setting of these standards. These are:
- strategic objectives
 - cost/efficiency
 - service delivery outcomes
 - quality
 - fair access.
- 4.52 The document also encourages local authorities to develop and use local PIs in addition to those specified by Government.
- 4.53 For cultural (and related services) the indicators proposed seek to provide a measure of the quality of local service delivery. The report recognises that the existing indicators require further development to provide a more comprehensive assessment. These include:
- the adoption of a local cultural strategy
 - the number of physical visits per 1,000 population to public library premises
 - the percentage of library users who found the book/information they wanted or reserved it and were satisfied with that outcome
 - the percentage of residents satisfied with the Local Authority Cultural services

- the number of visits to/usage's of museums per 1,000 population
- the number of those visits that were school groups.

What is culture?

- 4.54 The DCMS view is that a clear, national definition of culture is needed. The definition below is drawn from the cultural strategy guidance document:

“In terms of scope, ‘culture’ should be taken to include such activities as arts, sports, libraries, museums, heritage, archaeology, archives, architecture, crafts, children’s play, reading, parks, tourism, countryside recreation etc.”
(*Creating Opportunities*, DCMS 2000).

- 4.55 After extensive consultation with stakeholders, however, it has become clear that no such agreement on a definition of culture exists. Moreover, there was a wide range of views about what cultural standards should provide the necessary evidence base for performance measurement.

- 4.56 To date, culture has relied on inspections rather than a range of robust PIs and benchmarks. Various initiatives have been followed to develop the necessary evidence base and the shift from inspections to self assessment and improvement. For example, Sport England has developed the TAES (towards and excellent service) toolkit as a self assessment system for local authorities which may have a wider application to all cultural services. The framework has three objectives:

- to provide a basis for self-assessment that will enable sport and recreation services to achieve continuous improvement
- to provide a basis for future inspection regimes
- to provide a vehicle through which a national strategy for sports development or national priorities for sport and recreation could be delivered.

- 4.57 As noted above, DCMS and the Audit Commission are currently consulting English local authorities on draft cultural indicators for the new CPA system. At present, there seems to be no consensus at all across authorities as to what is acceptable and views on how to measure success in sport or arts vary greatly. However, there is an urgent need for the sector to come up with a considered response to the Audit Commission on what indicators should be chosen if the new CPA system is to include the proposed culture block.

- 4.58 An independent report was commissioned by the DCMS in 2004 due to “serious weaknesses across DCMS sectors in local government that need to be addressed” as well as the lack of performance indicators in the sector. The report recommends that DCMS should:

- decide on, and communicate, the purpose of the profile and how the DCMS will support local authorities to improve in response to completed performance profiles
- make clear the linkages between the performance profile and other performance management and improvement tools and methodologies
- confirm the preferred overall structure and content of the performance profile

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- raise awareness and understanding among local authorities of the future data collection requirements
- instigate urgent and ongoing dialogue with the Audit Commission to ensure that development of the performance profile influences future plans for CPA
- consult widely on the next draft of the performance profile- undertake further detailed 'desk-top' testing of the performance profile with a small number of local authorities.

4.59 Following this report, the DCMS have formulated 20 indices that could be measured and used as part of a cultural block within CPA. They are not presented as fully comprehensive but they are seen as immediately applicable, with revisions/additions being possible over the life of the next CPA phase. The DCMS is urging their use, as it will demonstrate a commitment to address the measurement issue, although recent discussion workshops have exposed considerable disagreement about whether they are indeed achievable.

4.60 They DCMS's draft PIs are presented here as a basis for debate and discussion:

- % of local PI targets met
- total attendance per 1,000 population
- level of equality standard to which cultural services conform
- number of adults participating for at least 30 minutes three times per week in physical activity
- % of population spending at least an hour per week on voluntary work for sport
- % measures of obesity in local population
- % of cultural assets with condition rating of 'good'
- % of parks and open spaces with Green Flag awards
- energy consumption per sq metre
- % of beaches with seaside or Blue Flag awards
- conservation and heritage:
 - appraised
 - benchmarks in place
- effectiveness and efficiency in regulatory services:
 - tourism accommodation
 - licensing
- £ levered by LA funding
- % interactions e-enabled

- views of stakeholder organisations:
 - are stakeholders satisfied with provision in the community?
 - are stakeholders satisfied with their support/relationship with the local authority?

IDeA (Improvement and Development Agency) Knowledge

- 4.61 IDeA Knowledge was launched at the Local Government Association's (LGA) annual conference in July 2001 with the mission to act as the first port of call for local government in terms of information on performance, practice and innovation.
- 4.62 Through providing examples of good practice, delivered through case studies, tools and other materials from across the sector, in addition to community discussion forums, IDeA Knowledge is about connecting local authorities in England and Wales so that methods of good practice can be shared. It currently serves approximately 60,000 registered users.
- 4.63 The IDeA works in partnership with all councils in England and Wales, to enhance the performance of the best, accelerate the speed of improvement of the rest, and develop the sector as a whole.
- 4.64 Cultural connections is one of the many resources provided through IDeA Knowledge. It is provided by the DCMS in partnership with the IDeA and Local Authorities to provide an accessible source of for all aspects of cultural services and includes good practice information for the whole local government community.
- 4.65 One such example of this is '*Cultural medicine: investment in cultural capital for health*', (Arts Council England/Department of Health, 2004) which examines how the Arts Council England's North West division is working with both Public Health North West and Culture North West, to develop joint strategies and programmes of work in arts, health and cultural research. All three organisations collaborated, to organise a North West Culture and Health Think-Tank event in November 2004. To disseminate the outcomes from this event to a wider audience, this publication was produced by Flux magazine in January 2005 and syndicated in Health Service Journal.

The Improvement Network

- 4.66 The launch of the Improvement Network website is a result of a partnership between the IDeA, the Audit Commission (AC), Chartered Institute of Public Finance and Accountancy (CIPFA), and the Employers' Organisation for local government (EO).
- 4.67 Focusing on the needs of the local government manager, the organisations have combined their expertise to give users a shared, easy, single point of access for improvement information.
- 4.68 Councils were consulted from the beginning, feeding into the development of the site, including the editorial board. The site is chiefly aimed at senior and middle managers in councils in England and will give access to troubleshooting tips; case studies; workshop formats; good practice; self-assessment checklists; performance indicators and hot topics.

4.69 There are five improvement themes located on the home page, taking the user through step-by-step processes and identifying areas for improvement:

- leadership and governance
- resources and performance management
- customer focus and community engagement
- organisation and people.

Performance Management, Measurement and Information project (PMMI)

4.70 The IDeA and the Audit Commission have joined forces in a project to promote a joined up approach on performance management. The aim of the project is to develop a common approach and language on performance management in all areas of work, from publications to consultancy and audit and inspection.

4.71 Findings from Comprehensive Performance Assessment and the Local Government Improvement Programme demonstrate that performance management is a key characteristic in the success of a well run local authority and an essential ingredient for improvement. This shared view forms the basis of this new strategic alliance that builds on their complementary roles to develop a common understanding and approach to Performance Management, Measurement and Information (PMMI). It is intended that the benefit to users will be clearer and more consistent messages from both organisations.

4.72 PMMI key messages on how to achieve good performance management are captured in two publications which provide an introduction to managing performance in local authorities, as a tool for supporting performance management in workshops or supported learning, or as a quick reference resource with signposts to additional material.

Library of Local Performance Indicators

4.73 As noted, the library is a joint project run by the Audit Commission and the Improvement and Development Agency (IDeA) and is a free web-based service. The library was set up following demand from local authorities. It's aimed at helping you and your local partners to measure how well you are meeting local priorities.

4.74 The library provides a range of PIs that has been devised with local authorities and national, partner organisations. They are broken down into themes that cover service and cross-cutting issues. These indicators are all for voluntary use with the emphasis on picking the ones that will help authorities to manage local priorities.

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4.75 In relation to cultural services the following PIs for heritage, and for parks and open spaces are identified within the Library:

Performance Indicator	Source
Number of listed buildings per hectare	Included in the set of Audit Commission Value for Money Indicators for Development Control (DCi)
Percentage of listed buildings of Grade I and II* at risk of decay	National indicator K5 for Quality of Life Counts
Percentage of listed buildings of Grade II at risk of decay	Follows the national indicator K5 for Quality of Life Counts
Percentage of authority designated as a conservation area	Included in the set of Audit Commission Value for Money Indicators for Development Control (DCii)
Percentage area of the authority's parks and open spaces which are accredited with a Green Flag Award.	Based on local authorities' PIs in use
The number of playgrounds and play areas provided by the council per 1,000 children under 12	Audit Commission
Area of parks and green spaces per 1,000 head of population	Piloted as part of the Audit Commission voluntary quality of life and cross cutting indicators
Total net spending per head of population on parks and open spaces	Variation on statutory Audit Commission performance indicator

Other quality assurance models

EFQM Excellence Model

4.76 The EFQM Excellence Model was introduced at the beginning of 1992 as the framework for assessing organisations for the European Quality Award. It is now the most widely used organisational assessment framework in Europe and it has become the basis for the majority of national and regional Quality Awards.

4.77 The EFQM Excellence Model is a practical tool that can be used in a number of different ways:

- tool for self-assessment
- benchmark with other organisations
- guide to identify areas for improvement
- basis for a common vocabulary and a way of thinking
- structure for the organisation's management system.

4.78 The EFQM Excellence Model is a non-prescriptive framework based on nine criteria. Five of these are 'Enablers' and four are 'Results'. The 'Enabler' criteria cover what an organisation does. The 'Results' criteria cover what an organisation achieves. 'Results' are seen as determined by 'Enablers' and 'Enablers' are improved using feedback from 'Results'.

4.79 The EFQM Model, which recognises there are many approaches to achieving sustainable excellence in all aspects of performance, is based on the premise that:

“Excellent results with respect to Performance, Customers, People and Society are achieved through Leadership driving Policy and Strategy, that is delivered through People, Partnerships and Resources, and Processes”.
(www.efqm.org/Default.aspx?tabid=35)

Quest

4.80 Quest is the UK Quality Scheme for Sport and Leisure developed and introduced to the leisure industry in 1996, as a result of dissatisfaction of the relevance of other quality assurance schemes. It defines industry standards and good practice and encourages their application and development in a customer-focused management framework. Quest essentially builds from the EFQM model but with language tailored towards the leisure industry.

4.81 Quest is recommended by the British Quality Foundation for Self Assessment in Sport and Leisure Operations and has two distinct categories:

- Quest Facility Management - aimed at Sports and Leisure Facilities, in the commercial, voluntary and public sectors
- Quest Sports Development (included from 1999) - aimed at Sports Development Units in Local Authorities, Governing Bodies and Voluntary Organisations.

4.82 To date, over 500 leisure facilities and sports development teams have been independently assessed against a series of best practice principles by a peer assessor. The process is repeated every two years with a maintenance visit taking place within that period, supplemented by mystery visits in the facility management model.

4.83 Both facilities and sports development have a Self-Assessment improvement programme, and the opportunity for an independent External Assessment. There are three main stages to achieving Quest:

- **Self-Assessment**

Organisations are able to assess their operation in comparison to industry standards and best practice information, provided in the Quest Manager's Guidance Pack. It enables managers and their teams to:

- make informed judgements about how they are performing against recognised industry standards
- identify their strengths
- identify their areas for improvement

- draw up their own plans of action to raise standards of service delivery.

The Scheme encourages Managers and their teams to consider their operation from the customer's point of view, asking key questions such as: "If it does not benefit the customer - why are we doing it?"

- **External Validation**

There is also the opportunity to receive an objective External Assessment, undertaken by trained Assessors from the industry. The Assessment will check the operation against industry standards, and provide a percentage score.

Quest operates a grading system based upon the scores:

- registered - above 60%
- highly commended - 75% to 84%
- excellent - 85% and above

For facility management, the external validation also incorporates a mystery visit.

- **Ongoing Maintenance**

Assessment frequency is based on a two-year cycle with two monitoring visits to maintain registration. This frequency will ensure that quality of service delivery is maintained in line with the Quest standards. Through the updating of standards continual improvement is promoted.

4.84 Quest is endorsed and supported by the four home country Sports Councils whilst the following industry representative organisations also support Quest:

- Local Government Association
- Chief Leisure Officers' Association
- Institute of Leisure and Amenity Management
- Institute of Sport and Recreation Management
- Leisure Management Contractors Association
- VOCAL.

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4.85 Table 4.3 presents a profile of Quest’s take up regarding leisure facility management within local authorities:

Table 4.3 – Quest coverage

Local Authority	Number of centres assessed	Period of involvement
Angus	9 centres	Registered for 6 years (3 assessments each)
Dumfries and Galloway	2 centres	Registered for 2 years
Dundee City	2 centres	Registered for 2 years
East Ayrshire	1 centre	Registered for 2 years
East Renfrewshire	1 centre	Registered for 2 years
Glasgow	10 centres	Registered for 2 years
Midlothian	7 centres	Maximum involvement of 8 years although some centres only assessed once
Orkney	1 centre	Twice registered (4 years)
Shetland	1 centre	Registered for 2 years
South Lanarkshire	10 centres	6 year involvement (some centres with 3 assessments, others with one)
West Dunbartonshire	3 centres	3 times registered (6 years)

4.86 Table 4.3 shows that 11 of the 32 local authorities are involved in Quest for leisure facility management. Within these councils, there are a varying number of registered centres ranging from 10 to one. Five local authorities have been registered with Quest for more than two years. Some local authorities have tried to adapt QUEST to cultural services and this was discussed in the project workshops as a useful future direction for the scheme.

The Accreditation Scheme for Museums in the UK

4.87 MLA's Accreditation Scheme, launched in November 2004, sets nationally agreed standards for UK museums. It is a voluntary scheme but to qualify, museums must meet clear basic requirements in:

- governance and museum management
- user services
- visitor facilities
- collections management.

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- 4.88 The scheme builds on existing professional standards, which have been extensively revised and updated to reflect people’s growing expectations of visitor attractions.
- 4.89 Accreditation benefits museum visitors and the users of museums services. It supports museum managers and governing bodies in planning and developing their services, and it provides a benchmark for grant-making organisations, sponsors and donors.
- 4.90 MLA administers the scheme with the assistance of the Scottish Museums Council in Scotland who are the assessing organization for Scottish museums. Accreditation is made on the basis on application and supporting evidence that criteria is being met.
- 4.91 Over 290 museums in Scotland are currently registered under Phase 2 of the scheme.

Charter Mark

- 4.92 Charter Mark is the Government’s national standard for excellence in customer service. It is a registered certification mark, which is owned by the Cabinet Office. The scheme is both a standard of customer service and a quality improvement tool to assist organisations in service delivery to users. It is a tool to help organisations, in practical ways, to focus on delivering excellence in public service.
- 4.93 The Charter Mark criteria fit closely with the government’s four principles for public service reform, and have been revised to reflect the increasing emphasis on the role of public services within the communities they serve.
- 4.94 Charter Mark can have an impact in the following areas:
- increasing customer focus
 - improving consultation with users
 - improving staff morale
 - developing better internal processes
 - developing more effective service delivery
 - improving complaints handling
 - delivering more cost effective services.
- 4.95 Organisations can apply for Charter Mark through either self assessment or a formal assessment process.
- 4.96 Public sector and publicly funded voluntary sector organisations have achieved Charter Mark across a wide variety of services including the cultural sector in Scotland where it is used by libraries and museums. In total there are currently 2409 Charter Mark holders.

Understanding the use of performance standards for cultural provision

What are we measuring?

- 4.97 From the evidence already examined it is clear that measuring the performance of cultural services and facilities is a challenging area and that performance measurement generally is an increasingly important part of the management of public services. Basic performance measurement has been central to financial management for some time and has progressed from measuring units of production and activity to the measurement of outcomes and this is the current focus for performance management in public services.
- 4.98 Outputs and outcomes, however, are harder to identify than more traditional input data, such as financial expenditure and staffing levels, and numerical performance such as attendance. PIs for culture are currently applied to relatively basic financial and numerical data rather than qualitative outputs/outcomes.
- 4.99 Whilst other local authority services, including education and social services, have 10-12 years' experience on which to draw, the leisure and culture sector has only recently begun to recognise the need to develop effective indicators. The private sector relies often on simple profitability criteria, 'bums on seats'. Increasingly, the public and not for profit sectors has felt the need to demonstrate value for money, which has led to accusations of 'dumbing down' in order to play safe and deliver suitable indices of 'success' defined simplistically as numbers through the door.
- 4.100 The measurement of inputs and simple outputs is relatively easy. Measuring outcomes that relate to economic gains or social and individual well being is much more difficult and relies on sound research to underpin its analysis. It is now generally accepted, however, that evidence for the effectiveness of cultural services does need to be measured on a far wider base. Hence the search for robust indices that can measure outputs and outcomes usefully and accurately.
- 4.101 Sport has traditionally claimed fitness and teamwork experience as important outputs and culture has long been recognised not just as enjoyable per se but inspiring in ways that encourage personal development and confidence in participants. More recently, however, leisure and culture have begun to claim positive outputs and outcomes in respect of economic regeneration, health gains, antisocial behaviour reduction and broad quality of life improvements. One of the challenges is to capture the evidence base for these assertions. Only when these outputs and outcomes can be confidently measured and clearly demonstrated will culture be fully able to compete for scarce resources against other claimants.

What constitutes success?

- 4.102 Key to any debate about standards is what we define 'success' to be, in respect of leisure and cultural facilities and in relation to cultural events. Various stakeholders have a role in defining how they see success to be constituted, including national and local government, funding bodies and sources, management bodies, and representative bodies and lobbying groups, together with facility managers and event organisers themselves. They will all have criteria against which cultural services are measured as successful or failing.

- 4.103 It is against such criteria that best practice should be recognised and useful benchmarks established. Essentially best practice has to be defined against intention, what is achieved against defined objectives and expectations.
- 4.104 Having examined a range of strategies from various cultural stakeholder groups (see Section 3), the essence of the challenge to cultural service providers across all sectors is clear – it is balancing requirements of access and excellence. Statements speak of “a greater sense of ambition in our approach to culture” (First Minister Jack McConnell, St Andrews Day Speech, 2003); “a healthy culture...where everyone is actively engaged” (Scottish Executive, Cultural Policy Statement, 2004, “Excellence...Creativity...Inclusion...Partnership... Openness (Scottish Arts Council Corporate Plan 2004-09).
- 4.105 Some will argue that there is no problem with aspirations to achieve aims of both access and excellence but others acknowledge that priorities have to be set. Defining an appropriate balance between access and excellence is a major current concern, not only in Scotland but also in all countries where cultural life is subsidised. Although the funding mix varies between countries, facilities and art forms, essentially, it is a question of what is sustainable against what resources are available, and what priorities are set for the resources available. The definition of what constitutes success, therefore, is critical.

How do we identify best practice?

- 4.106 Identifying best practice examples without resorting to subjective judgement requires the same kind of rigour as developing robust PIs. Because the sector is relatively underdeveloped in respect of performance measurement, benchmarks of ‘best in class’ in leisure and cultural services currently rely heavily on the judgement of those in the sector rather than objectively defined outcomes.
- 4.107 In some cases, however, best practice can be identified according to useful objective criteria. It is worth remembering in this context that accessibility is a concept that refers not only to overcoming barriers of income, information and remoteness from facilities but also to disability issues. One example of best practice is given in respect of services provided to deaf and hard of hearing customers of arts attractions. A recent survey of arts attractions in Scotland by Royal National Institute for the Deaf (RNID) Scotland found that few are fully prepared for deaf and hard of hearing customers in the context of the Disability Discrimination Act. The study was linked to a national survey in which the RNID drew particular attention to three attractions for their excellence. These were the National Theatre, the National Gallery and the National Portrait Gallery - all of which have deaf-aware staff.
- 4.108 The RNID is now calling for three main changes to be made to arts attractions - that all staff in arts venues around the UK receive deaf awareness training; that all access equipment is well displayed and the staff are trained to use it and that all arts venues compile an access guide, giving precise details of the provisions available for disabled people.
- 4.109 Many cultural bodies in Scotland identify best practice examples in their field. Examples are:
- North Lanarkshire Museum Service – free transport for local schools to visit museums and galleries in North Lanarkshire

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- *Game On* – innovative special exhibition at the Royal Museum, Edinburgh drew in new audiences, with higher than usual proportions of men and young people
- *A Wealth of Vision* – outreach film and video programme targeted at socially excluded young people by the National Galleries of Scotland in partnership with Lloyds TSB Scotland and Arts & Business
- MAC – Fife Council's mobile museum and gallery exhibition and activity programme designed to increase accessibility and develop audiences
- Travelling Gallery – City of Edinburgh Council initiative to house new multimedia works in a double-decker bus and tour to 15 primary schools
- TAG Theatre Company – full day format of workshops and performances from this long established touring theatre company performing to children and young people across Scotland
- NEAT (North East Arts Touring) is a partnership between Aberdeenshire, Aberdeen City and Moray Councils to promote visual and performing arts in the north-east of Scotland. Financial support is provided by the Scottish Arts Council. By working together, it has been possible to organise a programme for touring theatre and exhibitions, many of them in small rural locations, in which would not be affordable or practical for the councils to stage events on their own.
- Cultural Co-ordinators appointed in all local authorities:
 - the scheme was first introduced by the Scottish Executive through their National Cultural Strategy document *Creating our Future, Minding our Past* (2000). Launched in May 2002, the scheme is administered by the Scottish Arts Council with the intention of the to employ Coordinators to make the link between primary/secondary schools and all areas of the cultural and heritage sector
 - each local authority has been given the opportunity to bid for up to 8 posts, although the average is lower, depending on population size. The total number of Coordinators, many of whom are part-time, is 105 across Scotland
 - Coordinators' remits have been interpreted in different ways according to individual local authority priorities and internal structures and it is considered by authorities themselves that there has been variable levels of success to date in itself highlighting some of the inconsistencies in cultural provision
 - as the scheme is only part funded (unlike sports coordinators) there is a concern that culture is being undervalued
 - originally a 2 year pilot project, the scheme has since been extended to 2006.

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- 4.110 From these examples a series of common themes can be identified which relate to some of the core themes identified within the Strategic Review:
- accessibility
 - children and young people
 - social inclusion
 - broadening appeal/audience development.
- 4.111 These themes could perhaps be used to provide a focus for research and identification of best practice examples from further afield, although further sophistication is required in order to provide real benefit.
- 4.112 A key challenge is not just identifying the outcomes as best practice, but understanding the inputs required and the key drivers for making these best practice examples. Fundamentally, what makes this scheme work? From these learning points real benefit will be derived in understanding how to share understanding and improve the delivery of cultural services across Scotland.
- 4.113 One concern expressed by local within the move towards setting standards for cultural provision is that these could inhibit and limit the development of best practice. In building local authority support for the development of performance standards within the cultural sector this is an important consideration.
- 4.114 A key aspect in identifying best practice needs to be the question of sustainability. At a point in time different many initiatives can be seen to work well, but one might argue that a key element in identifying an initiative as best practice is the sustainability of the impact. As well as excellence, accessibility and delivery against other key objectives, sustainability is clearly critical to moving cultural service provision forwards.

Challenges and dilemmas for local authorities

- 4.115 Scotland is creating a confident vision of what culture can achieve for its people and its nation. It is a time of considerable opportunity. As stated by the First Minister in his St Andrew's Day speech of 2003.

“arts for all can be a reality, a democratic right and an achievement of the early 21st century”.

- 4.116 In order to compete successfully for finance and for the necessary priority with policy makers, however, an evidence base for the value of culture must be established. To have real impact, this must be a national and not just a local initiative. It is the aim of this study to establish the framework for such a process.
- 4.117 The following summarise the key challenges faced in developing performance standards and a quality assurance framework in Scotland:

Lack of consensus in progressing a quality framework within cultural services

- 4.118 There is a broad recognition of the need for performance measurement and management, although to date there have been issues with achieving agreement from the long list of key stakeholders over what specific PIs and other measures of performance are needed.
- 4.119 Consultation suggests that the current list of statutory performance indicators for cultural services are too general and do not provide meaningful feedback regarding the quality of service provided.
- 4.120 At present much of the discussion relating to standards and benchmarking relate more to aspiration for the future as opposed to recognised industry standards for culture. For instance the national audit of Scottish Museums and Galleries is designed to provide a framework for individual museums to benchmark against museums of similar size, type or location. It is unclear how far this has progressed and understanding such issues is vital in developing a consistent approach to benchmarking and providing local authorities with clear guidance as to requirements.
- 4.121 The DCMS have tabled draft PIs whilst VOCAL has developed a draft quality assurance model. It is important to bring together the key stakeholders in the delivery of cultural services in a **multi agency approach** to agree how to progress on this subject and develop a coherent approach that is relevant for Scotland.

Comparing like with like

- 4.122 The broad definition of culture and the need to account for these differences when evaluating different facility types is a key consideration. Benchmarking like with like is an important challenge in achieving real value from standards and meaningful benchmarking of data. Differences within and between facility types must be acknowledged, although it will be important to identify consistent principles across each cultural sector.
- 4.123 There are additional issues when examining the needs of rural and urban areas and the applicability of setting national standards for such different demographic areas is a particular challenge.

- 4.124 For meaningful benchmarking to be possible there needs to be a degree of comparability between services/facility types etc and how PIs are defined and collected. From this it is important that there is intelligent interpretation of the data and an appreciation that PIs are not an end in themselves, but should be used to prompt further questions.

National standards vs local priorities

- 4.125 There is considerable debate as to the value of setting national standards for culture versus mainstreaming culture within the context of local community planning and the need to ensure that cultural services are applicable to and meet the demands of local residents. This challenge has been identified by VOCAL and it may be more appropriate to develop a quality assurance model that allows for both national benchmarking and the local identification of needs.
- 4.126 A related issue identified through the local authority workshops is the need to ensure that any standards put in place are not too prescriptive and thereby stifling the creativity that is an inherent feature of many cultural sectors.

The cost/benefits of collecting performance information

- 4.127 Through the process of interaction with the local authorities on this study it has become clear that there may be capacity/resourcing issues in the collection of performance information. That performance measurement is needed is not questioned, but it is important to understand that asking local authorities to collect large quantities of information on the performance of their cultural services may be an onerous task with costs incurred.
- 4.128 It is therefore important to ensure that the benefits of collecting and analysing PIs outweigh the costs. As much as anything this depends on good central management of the PIs and a degree of consistency in the collection of PIs and transparency about how they are being used.

Robust methodology

- 4.129 There is a general consensus of the need for robust methodology for quality performance assessment. Models such as the EFQM Excellence Model or Quest (developed from the EFQM) have potential to be examined in further detail as to their applicability to setting a performance assessment framework in Scotland.
- 4.130 There is clear consensus that alongside this there is a need to minimise bureaucracy and develop an efficient system of performance monitoring.

The number of PIs to collect

- 4.131 It is important that the right balance is struck between a group of PIs that is sufficiently comprehensive whilst remaining manageable so as not to divert resources unduly from core activities.
- 4.132 In addition, it is important to ensure that PIs which are relatively easy to measure/calculate but are relatively poor measures of efficiency/effectiveness do not take precedence over those that are more difficult or expensive to gather but are of better quality.

Applicability

- 4.133 There is an issue of whether performance measurement should just be used for local authority funded facilities and services or should apply to the broader range of service providers, including voluntary (not for profit) and private sectors. This presents additional complexities and implications for coordination, but also it raises questions about the capacity of organisations (particularly voluntary) to collect such information.

Self evaluation

- 4.134 One of key debates from the local authority workshops was whether performance measurement should take place through self assessment or external evaluation/inspection.
- 4.135 Many of the current quality management systems such as QMIE and VOCAL's draft model have taken a self evaluation approach to performance measurement. This principle was largely supported through the local authority workshops where it was considered that self assessment would be more likely to achieve 'buy in' from staff, who would then be more committed to self improvement and therefore more honest in self appraisal.

Desired outcomes

- 4.136 Understanding desired outcomes is a crucial precursor to developing a quality management framework. Through evaluation of the strategic context (see Section 3) it is clear that there is a growing expectation of culture to deliver wider social, health, educational benefits.
- 4.137 As noted, these outcomes are hard to measure but are critical in developing an evidence base for the Scottish Executive of the positive contribution that culture can make to Scottish society. This in turn will guide improved investment and appropriate cultural services for the residents of Scotland. It is a significant opportunity and developing the correct measures for outcomes is essential. A multi agency approach will be particularly important getting this right.
- 4.138 In general terms it is noted that measuring the quality of experience is another challenging area. Many existing performance measures are input led and applied to relatively basic financial numerical data rather than measuring qualitative outputs and outcomes. Such concerns merely reinforce the need for a multi agency approach to developing the most appropriate solution.

Opportunities for the future

Quest in the cultural sector

- 4.139 During recent months and with greater emphasis on performance management across the cultural sector in England, progress is being made to introduce Quest into Arts venues. The first non sporting venue is to be Quest assessed against the sports and leisure best practice during March, and development work has been undertaken with arts venues in Hertfordshire and Guernsey to test the applicability of the scheme and make suitable modifications.

4.140 The areas being tested include, amongst others:

- business planning and strategy
- service planning
- research and marketing
- programming and arts development
- customer care
- health and safety
- building presentation
- staff management
- box office
- finance and IT
- continuous improvement.

4.141 Critically, each of these management issues is scored to provide an overall percentage. It is the individual scores that can enable really constructive benchmarking of performance to take place. The advantage is that each principle is assessed and scored irrespective of size of venue, management structure or objectives and demographic situation. In this way, best practice can be spread through different types of venue that normally may not have seemed compatible.

4.142 Within the leisure environment, PMP as Quest Scheme Managers working with and on behalf of the four home sports councils, have organised a number of facilitated benchmarking events. These have been very successful at helping organisations of various types share good practice, and the principle will ideally be transferred to the cultural sector as Quest develops through arts and cultural venues.

Applicability of Charter Mark

4.143 Alongside the potential of Quest, there are also opportunities to examine the potential applicability of Charter Mark as a quality assurance framework for individual facilities in the cultural sector. Consultation indicates that this is currently widely used in Scotland as a vehicle for continuous improvement for libraries and museums.

Summary

4.144 Performance management is not an end in itself. It is one of a set of tools, a way of working, that helps you to identify what needs doing, a means to deliver improvement and a way to maintain high quality services.

4.145 Performance management cannot work in isolation. Performance management links and overlaps with other aspects of the organisation, such as leadership and culture. To work throughout the whole organisation and to be really effective, performance management must be combined with good leadership, effective risk management and sound financial management.

Cultural provision

Introduction

- 5.1 This section of the report specifically examines the following issues in relation to actual provision for culture in Scotland:
- current levels of cultural infrastructure including identification of inconsistencies in provision, particularly between rural and urban areas
 - the current physical condition of cultural provision
 - operational and financial analysis of cultural provision including maintenance and management costs.
- 5.2 The purpose of this section is to provide an overview of both the level and condition of cultural provision. The intention is that this will help to inform investment strategies for repair and new build in relation to these facilities for the next 20 years, to support the provision of culture and leisure facilities by local authorities.
- 5.3 It was envisaged that the majority of the information for this section would be derived from the quantitative questionnaire submissions. However, as previously noted, the response rate to the questionnaires was disappointing and the level of detail from those authorities that did respond varied considerably.
- 5.4 In light of these issues, great care must be taken in placing undue emphasis upon the analysis. The subsequent text highlights those areas where it is possible to be more confident in the conclusions drawn.
- 5.5 This issue reinforces the need to undertake a fully comprehensive audit of all cultural facilities in Scotland. The database produced as part of the study was designed with the broader functionality to collect such quantities of data if required.

Current levels of cultural provision

Existing sources of information

- 5.6 Given the acknowledged difficulties of compiling a comprehensive audit it is important to try and identify any existing baseline information for cultural facilities in Scotland. It was, however, specifically requested within the project brief that any gaps within the local authority questionnaire-based audit should not be completed at this stage.

Museums and galleries

- 5.7 In 2002, the Scottish Executive, as part of the National Cultural Strategy, commissioned the Scottish Museums Council to undertake a national audit of Scotland’s Museums and Galleries. The following table provides the headline number of sites identified through the audit:

Table 5.1 – Summary of National Museums Audit findings

Organisation type	Number of organisations	Number of sites
Independent	116	164
Local authority	29	182
University	10	45
Military	7	8
National	4	34
Other	2	2
Total	170	435

Heritage

- 5.8 The following table presents a list of heritage sites within Scotland:

Table 5.2 – Heritage sites in Scotland

Class	Number
Class A	3,646
Class B	26,172
Class C(S)	17,010
Class C	432
Total	47,260

- 5.9 About 8% of the total are registered as category ‘A’ meaning that they are buildings of national or international importance. The majority (60%) are registered as category ‘B’ which refers to buildings of regional or more than local importance. In addition to being part of Scotland’s culture many of these buildings are home to other cultural provision.

- 5.10 The list is compiled and maintained by Historic Scotland on behalf of the Scottish Ministers, in accordance with the Planning (Listed Buildings and Conservation Areas)(Scotland) Act 1997. The sites are organised by council areas, in parishes, burghs or city wards.

Libraries and information sources

- 5.11 According to the Scottish Libraries and Information Resources (SLIR) there are **1,825 library and information resources** in Scotland. This includes some education site libraries, education resources, archives and museums and clearly presents some overlap with the figures presented above
- 5.12 SLIR Online is supplied by the institutions and organisations that administer the collections, and is updated annually by the Scottish Library and Information Council (SLIC) during the production of Scottish library and information resources.

Sports facilities

- 5.13 Whilst not a direct requirement of the brief, it is important to understand the issues relating to the current level and condition of sports facilities. Sport is included in many people's definition of culture and there is an awareness of the importance of shared use of facilities, particularly significant within more rural areas.
- 5.14 **Sportscotland** have undertaken audits of sports facilities and have knowledge of the overall quantum of different facility types. These data include facilities run by local authorities, schools and the commercial sector. Much of this work is aimed at meeting the targets of Sport 21 including the target of having 500 sports halls within a 20 minute walk of 80% of the Scottish population.
- 5.15 The *Ticking Time Bomb* (2001) study into the supply and condition of Scottish swimming pools shows that Scotland has a substantial supply of public swimming pools (338) which serve a variety of needs: learn to swim, keeping fit and healthy, recreational swimming, competitive swimming, life saving and sub aqua activities. Furthermore, all the evidence suggests that these facilities are highly valued by their local communities.
- 5.16 **Sportscotland** have also commented that the operational information regarding these facilities is not yet as comprehensive as they ideally would like to have for policy and planning purposes.

Quantitative survey - audit response

- 5.17 Of the 32 local authorities, 23 responded to the quantitative survey, including a late response from Glasgow City Council. We have incorporated as much as possible of Glasgow's responses during the process of analysis although some information was too late to be included. There was a great deal of variation in the quality of these responses: one local authority only entered one facility but a small number of others provided comprehensive details of their facilities. In many instances, however, only the facility name has been identified. Appendix H provides a summary of the responses of each local authority.

SECTION 5 – CULTURAL PROVISION

- 5.18 The following table provides an overview of the number of each facility type for which information was provided:

Table 5.3 – Summary of audit responses by facility type

Facility Type*	Number of sites
Arts centre	25
Cinema/visual arts facility	5
Community hall	2
Education Establishment	43
Exhibition Centre	5
Galleries	33
Hall	67
Heritage	57
Library	283
Museum	114
Other	46
Theatre	29
Total	709

* Please note that the above classification identifies primary purpose only.

- 5.19 Given the quantum of facilities that has been identified through other sources, it is apparent that there are significant gaps within this audit. This was always likely to be the situation and the original project brief noted the dependency on local authorities to provide the data. Unfortunately, the overall response was relatively poor, although a certain amount of useful information has been generated and some important conclusions can be drawn.
- 5.20 Whilst the level of detail required for a comprehensive audit does have significant resource implications for local authorities, the lack of even the most basic headline data emphasises the scale of the task in terms of delivering to the identified objectives from the strategic review. It is acknowledged that the timing of this survey, coinciding with the CIPFA survey and other competing demands from the Commission has hindered the response rate.
- 5.21 40% of the sites entered were libraries, which reflects the local authorities' responsibilities in the provision of library services. The second highest group was museums, of which 114 were identified. This compares to the National Museums Audit, 2002, which identified 178 local authority operated museums with information from 29 local authorities, (Midlothian and Stirling do not have a museum service but support independent museums in their area).
- 5.22 In order to provide some meaningful comparisons from the data, a cross section of LAs providing detailed responses has been specifically examined where necessary. Wherever possible, this tries to draw comparisons between different types of local authority with a particular focus on urban and rural differences.

5.23 Due to the quality of data provided, in most instances the percentage level does not refer to all sites identified. It has only been possible to make calculations based upon the data provided for each question and these levels vary greatly.

Operating organisation

5.24 The following graph highlights the operating organisation for all facilities within the audit:

Graph 5.1- Operating structures for cultural facilities



5.25 It is not surprising to find that local authorities operate 86% of all sites identified, as the primary purpose of the survey was to identify all local authority provision. 7% of sites are operated by not for profit organisations.

5.26 However, given the baseline data, it is clear that a great deal of cultural provision falls outside of the direct operation of local authorities. This merely reinforces the importance of undertaking a comprehensive audit of supply.

5.27 It is interesting to note that, from the information provided, there is a variation in ownership by facility type (see Appendix I). It is difficult to put too much significance upon the findings given the small sample sizes, but the responses indicate that:

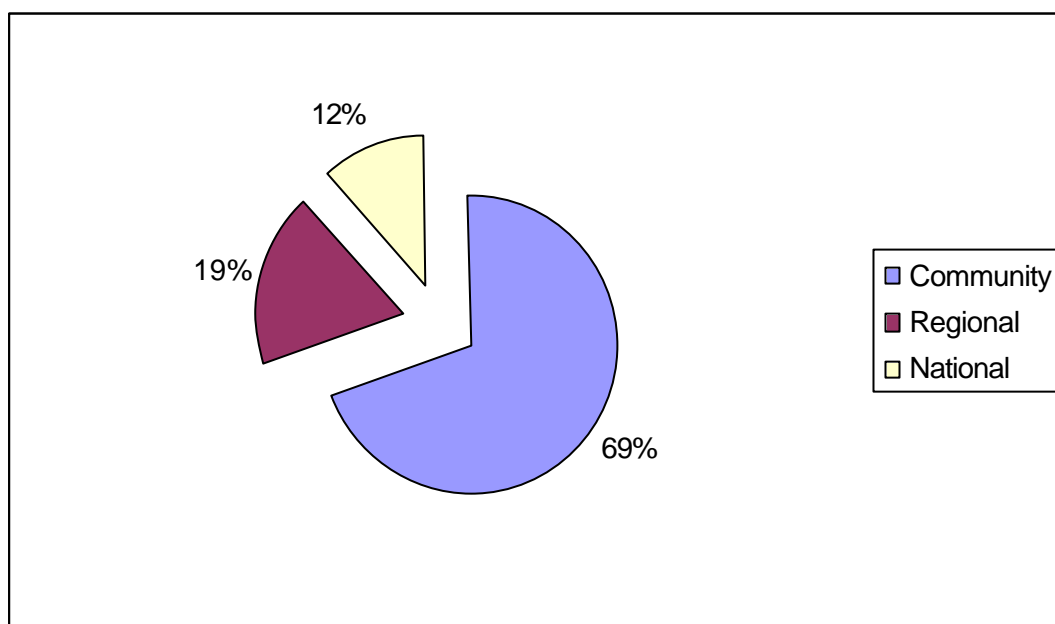
- arts centres follow the general pattern being predominantly operated by LAs
- 46% of galleries are operated by the private sector
- heritage sites show the most varied patterns of operation
- 75% of museums are operated by LAs and 24% by not for profit organisations. The National Museums Audit indicated that less than 50% of museums are operated by LAs
- 38% of theatres are operated by not for profit organisations.

Cultural significance of facilities

5.28 Local authorities were asked to rate the level of cultural significance of each facility. Whilst there will inevitably be much variation in people’s subjective interpretation of what constitutes a regional or nationally significant cultural facility the analysis is important in understanding both future investment priorities and also the context for cultural rights and entitlements of Scottish citizens.

5.29 Graph 5.2 highlights the breakdown of facilities that are identified by local authorities as being of community, regional or national significance.

Graph 5.2 – Significance level of cultural facilities



5.30 Whilst there are issues relating to the subjective nature of these classifications, in overall terms, the responses show that over two thirds of cultural facilities in Scotland have a direct significance at a local community level. In total, 12% of facilities are identified as having a national significance.

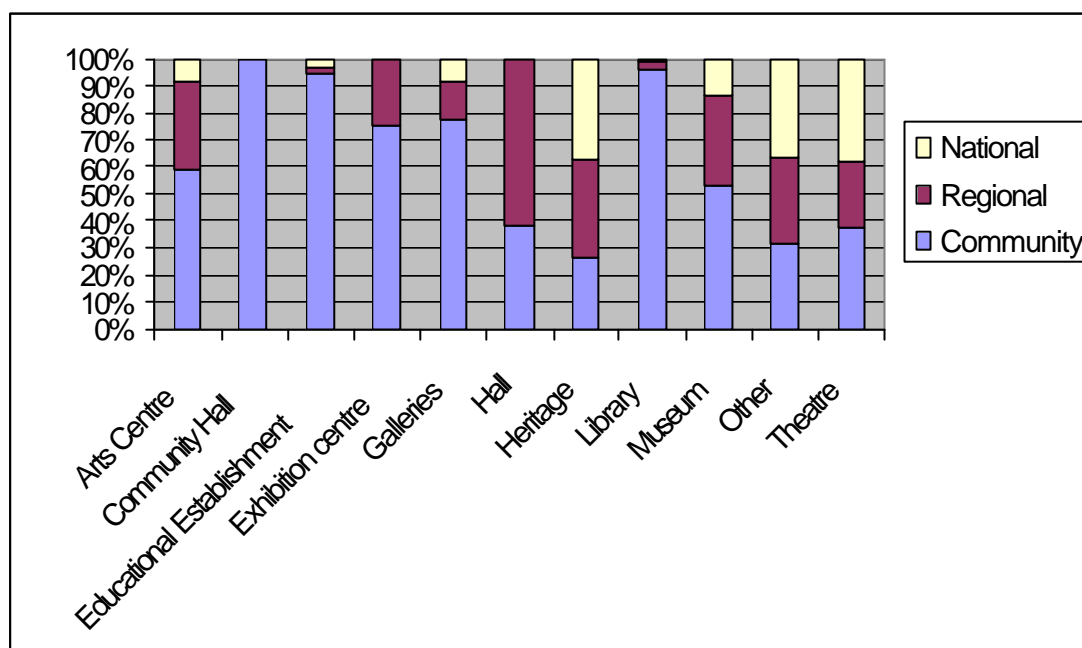
5.31 When analysing these data by individual local authority it is noted that:

- Aberdeenshire has no facilities of national significance and only 6% of regional significance
- Angus and East Dunbartonshire have no facilities of national significance
- 22% of cultural facilities in Dundee are of national significance
- the breakdown of facility significance in Fife broadly reflects the overall trend identified in paragraph 5.30 above
- 23% of facilities in Orkney are identified as being of national significance
- Scottish Borders has no nationally significant facilities, but 33% are of regional significance.

SECTION 5 – CULTURAL PROVISION

- 5.32 This information shows that at least four local authorities believe that there are no facilities of national significance within their area. This is important on a number of levels. Firstly, it would seem to limit the potential economic impacts from national scale cultural facilities.
- 5.33 Secondly, there are implications for the rights and entitlements of residents within such areas. How far should people have to travel to find nationally significant cultural facilities? How accessible should national collections be? This raises issues regarding nationally significant collections travelling around the country and the importance of making culture available through other sources such as online resources.
- 5.34 These points were raised in the LA workshops and it was acknowledged that the issues surrounding national facilities are more pertinent to some LAs than others. One particular issue that concerned some LAs was the responsibility for operating nationally important facilities through LA budgets.
- 5.35 Graph 5.3 presents a breakdown of cultural significance by facility type:

Graph 5.3 – Level of cultural significance of facilities



- 5.36 Graph 5.3 indicates that theatres, heritage and 'other' facilities have the largest percentage of nationally significant facilities (all approaching 40%). In terms of heritage sites, this is significantly higher than Historic Scotland's total of 8%, further emphasising the need for caution when analysing these data where definitions may differ from other data sources.

- 5.37 What may be more surprising is the lack of nationally significant arts centres, exhibition spaces, galleries and libraries identified. This may reflect that in the case of arts centres, exhibition spaces and galleries, the nationally significant facilities may be operated by non local authority organisations. This reinforces the need for a comprehensive audit of facilities operated by all types of operator, in order to develop a more detailed understanding of where provision exists and where shortfalls can be identified.
- 5.38 In terms of museum provision, in support of the above point, it is interesting to note that the National Audit stated that 78% of museums have collections which are in whole or part of national significance, and these collections were not just confined to national scale organisations. In addition, there is clearly a need to agree upon the definition of what constitutes ‘nationally significant’.

Consistency of provision

- 5.39 Unfortunately, the identified gaps in the quantitative survey responses make it impossible to assess the consistency of provision across Scotland at this stage. We have noted the need to complete a comprehensive audit of provision to include all operating organisations.
- 5.40 Such an audit would allow planning models for all cultural facilities, similar to the one used by **Sportscotland** for sports facilities, to be developed. Library standards information is published by CoSLA but the information used is over 10 years old and its validity therefore questionable. There is a need for a more systematic approach to be developed for measuring demand and assessing what levels of provision are actually required.
- 5.41 In addition there are issues with undertaking this assessment on a national level due to the significant urban and rural differences across Scotland. It may best be achieved through the use of thematic mapping packages that highlight provision against a range of demographic indicators such as population density and the various sub elements that make up the Indices of Multiple Deprivation (IMD). Such packages would enable a more strategic, cross border approach to be taken which acknowledges that in reality people do not make participation decisions on the basis of the local authority in which they reside but the accessibility and appropriateness of facilities.
- 5.42 One of the more robust mechanisms for assessing the consistency of cultural provision across Scotland was to ask local authorities directly about their cultural provision through the qualitative questionnaires. Local authorities were asked whether they believe they have the right mix of cultural facilities both geographically and by facility type.
- 5.43 In theory, this should provide an accurate picture of the consistency of provision if the local authorities have undertaken the relevant needs assessments for culture in their respective areas. Of the 15 respondent authorities there are examples, such as Edinburgh and Orkney, where it is clear such assessments have been undertaken, whilst for others it is not clear through what mechanisms the perceived adequacy or shortfall in provision is based. This is a critical first stage that must be undertaken in order to inform future investment strategies for culture on a national and local level.
- 5.44 Table 5.4 provides an overview of the respondent local authorities’ perspectives on the consistency of cultural provision both by geography and facility type:

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Table 5.4 - Overview of the respondent local authorities

Local Authority	Geographical mix	Mix by facility type
Aberdeenshire	Reasonably good spread although ensuring adequate provision of cultural facilities in a large rural area with a dispersed population (55% live in settlements of less than 8,000 people) is difficult to achieve with limited resources	Gaps in provision of indoor sports halls and very limited facilities for performing and visual arts
Angus	Operate a mobile library service for rural areas to help address the issues	No noted deficiencies
Dundee	Identified a good spread of facilities	No perceived deficiencies
East Ayrshire	Good mix of cultural facilities, with the exception of Cumnock	Looking to develop a new cultural facility in Cumnock based around an arts centre/museum/performing arts venue
East Dunbartonshire	Two mobile libraries to help overcome any rural issues whilst there is an arts centre, art gallery and social history museum in three towns which people are prepared to travel to	No perceived deficiencies
Edinburgh	The four areas of the city where social inclusion is an issue are well served including a number of community spaces in South Edinburgh with events programmed through Arts South Edinburgh	<p>Theatre Strategy research indicates city is well served in terms of theatre venues and seats available. But both the theatre and dance strategies note a lack of rough space/rehearsal facilities; many organisations struggle in finding affordable office space</p> <p>A mid-scale music venue review will be carried out in 2005, in partnership with the SAC, to assess the situation with music venues</p> <p>Draft Visual Arts and Crafts Strategy highlights lack of studio space for practising artists. Moving Image Strategy has not yet been commissioned, but initial discussions indicate a desire for the city to have a premier screen cinema.</p>

SECTION 5 – CULTURAL PROVISION

Local Authority	Geographical mix	Mix by facility type
Falkirk	A geographically compact area and therefore no perceived geographical deficiencies	No perceived deficiencies
North Lanarkshire	Outlying areas and large housing schemes are not well served by museums and heritage sites due to a lack of resources	No purpose built arts facility in Coatbridge
Orkney	<p>Will always have complex issues around the geographical location of arts facilities as the majority of venues are on the Mainland of Orkney, primarily within the city of Kirkwall, and therefore isolated communities lack access.</p> <p>This has been partially addressed recently through the purchase of mobile recreational facilities (mobile dance floor, climbing wall and ice skating rink), and through the development of a tour by the HI-Arts Screen Machine (mobile cinema) planned for next summer, but Orkney is not on the regular circuit of the Screen Machine due to the significant transport costs.</p> <p>Heritage facilities are well spread geographically.</p>	<p>Arts Strategy identified a need to develop an arts capital strategy for Orkney leading to the improvement of existing facilities and the potential to develop new venues such as a central Kirkwall crafts gallery, improved theatre facilities and exhibition space for visual arts.</p> <p>Best Value review has identified a need for a central, industry standard museum store/research facility.</p>
Perth and Kinross	A wide geographical area that is not covered adequately	No specific deficiencies noted although clearly perceived shortfalls due to geographical issues
Renfrewshire	Most cultural facilities are based within the main town, not providing adequate coverage for rural areas	No specific deficiencies noted although clearly perceived shortfalls due to geographical issues
Scottish Borders	Good geographical spread and within the list of facilities included both primary and secondary school sites and 16 community centres.	The Council does not manage any performing arts venues but does provide revenue support and grants to a number of theatres. Also supports touring drama/music in its halls

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Local Authority	Geographical mix	Mix by facility type
South Lanarkshire	<p>Geographical size will always mean that overall coverage is a challenge and efforts have been made to address this via recent capital investment and also via the recruitment of additional officers within the service.</p> <p>At present, feel they have a reasonable mix of facilities capable of delivering their services but customer expectations are ever changing and demand for even more local provision increasing.</p> <p>One area where improvement could enhance service delivery is via improved transport links from rural to urban areas to encourage attendance and usage of main facilities which are based in larger towns</p>	No specific deficiencies in built provision noted
Stirling	Given size of area, mix is considered to be 'about right'	There may be a case for small multi-purpose facilities in villages and communities for people to experience and participate in cultural activity within their communities.
West Dunbartonshire	Vale of Leven around Alexandria is weakest for facilities. Suffers from territorialism and poor public transport links.	No specific deficiencies noted although there are general issues caused by geography.

Geographical facility mix

- 5.45 There are perceived geographical issues in seven of the 15 responding local authorities. Whilst it is fair to conclude that the issues are mainly focussed upon rural areas it is interesting to note that 'central belt' authorities such as North Lanarkshire and Renfrewshire still noted problems in ensuring consistency of provision for outlying areas.
- 5.46 This links to concerns over poor transport links, lack of resources in being able to ensure that all areas are well served and a perception of increased demand for more localised cultural provision, as particularly noted within South Lanarkshire.
- 5.47 The issues with rural provision are well encapsulated by Aberdeenshire where 55% of residents live in settlements of less than 8,000 people. Where there were no identified issues, this was often related to a more compact size of authority, such as Stirling or Falkirk.
- 5.48 It is positive to note that local authorities have regularly identified solutions to the geographical issues faced, including the provision of mobile serves such as in Angus, East Dunbartonshire and Orkney.
- 5.49 Edinburgh and Scottish Borders identified the importance of providing 'community spaces' which in the case of the latter includes both primary and secondary school sites and 16 community centres. The multi use of facilities is covered in Section 6.
- 5.50 Linked to the above point, the role that partnership development has played in tackling the inconsistencies in provision is unclear. Schools sites are an obvious example of cultural facilities primarily designated for another purpose, but the survey findings indicate that only 3% of cultural facilities formed part of an educational establishment.
- 5.51 A great deal of cultural provision falls outside of local authority operation and uneven survey responses raised a number of questions as to the degree of awareness of such provision. The ability of many local authorities to identify such facilities, however, demonstrates the value of presenting a coordinated approach to culture at a local level to ensure resources are maximised. This should be a crucial element of local cultural strategies which can contribute positively to the wider community planning framework.
- 5.52 There is a danger that when examining consistency of provision, the focus is too narrow and therefore the role of outreach and development activities is not recognised. Whilst investment may be an important factor in improved provision, capital investment into the facility stock is not the only approach. Revenue support for different initiatives allied to partnerships with community spaces and schools, could provide successful alternative solutions.

Mix by facility type

- 5.53 Many of the respondents identified no specific deficiencies in provision by facility type. However, it is unclear whether this response is a result of robust assessments of need, a lack of awareness of other facilities not operated by the local authority, or genuinely a record of no identified need.

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- 5.54 Where needs have been identified, there are no significant trends in the shortfalls. Examples of identified needs include:
- small multi purpose facilities in local areas
 - arts facilities (arts centre, gallery)
 - premier screen cinema in Edinburgh
 - studio space for practicing artists
 - rehearsal facilities
 - performing and visual arts facilities.
- 5.55 The identified demand from Table 5.4 does not appear to be for large scale facilities which matches the demands from more rural areas for localised provision. As noted, the potential of working in partnership with other organisations to deliver against some of these needs should be thoroughly explored. Partnerships are a central theme within the strategic review and they form a central focus within community planning.
- 5.56 It is crucial to understand cross border issues and the role of other delivery agencies in order to identify the most appropriate methods of meeting perceived needs and addressing inconsistencies.
- 5.57 Where they are not already in place, it is recommended that local authorities undertake localised needs assessments, based upon a comprehensive audit of supply to inform future investment decisions.

Summary: Current levels of provision

- the difficulty in drawing many firm conclusions from the local authority audit clearly emphasises the need for a comprehensive audit of provision by all providers. The importance of covering all providers is that it will enable firm conclusions to be drawn on the consistency of provision, whilst this knowledge in itself can help the development of coordinated localised solutions to maximise available resources in meeting the rights and entitlements of Scottish citizens.
- in achieving the above, an important starting point would be to pool existing information sources and develop a comprehensive database (potentially linked to *Scotland's Culture*) to be utilised by decision makers and the general public alike.
- such is the complexity and variety of facility types, it is recommended that any further audit work takes into account the primary and secondary purpose of facilities that are used for culture.
- there is a statutory duty placed upon local authorities to ensure adequate provision of facilities for sporting, cultural, recreational and social activities and to secure adequate provision of libraries. It would appear, even from the limited response, that there is wide variation in the number and types of cultural facilities that are provided by different councils. This cannot be explained simply by the need to adapt to local circumstances and reinforces the need for a more systematic approach to be developed, along the lines of **sportscotland's** Facilities Planning Model, to measure demand and assess what levels of provision are required.
- there is a need to understand the role of nationally significant cultural facilities within the context of rights and entitlements of Scottish citizens, and how these resources can be made accessible to all groups. Linked to this are specific issues around the operation and subsidy of nationally significant facilities. Further consistency is firstly needed in the classification of such facilities.
- it would appear at this stage that a requirement for major new facilities has not been identified. The priorities for provision appear to be the need to tackle rural issues, to provide more community focused services and further to examine the potential for shared use of facilities.
- assessing the level of provision is not enough for decisions regarding future investment priorities. There is a need to account for the nature of the facility, its size, opening hours, fitness for purpose, accessibility and the quality of service offered. The physical condition of facilities and issues relating to operation and financial management of facilities are covered in the following pages.

Condition of cultural infrastructure

5.58 An important element of the work involved the assessment of the current condition of the physical cultural infrastructure. This understanding is crucial to informing investment strategies for repair and for new build cultural facilities and goes one stage further than simply assessing levels of provision.

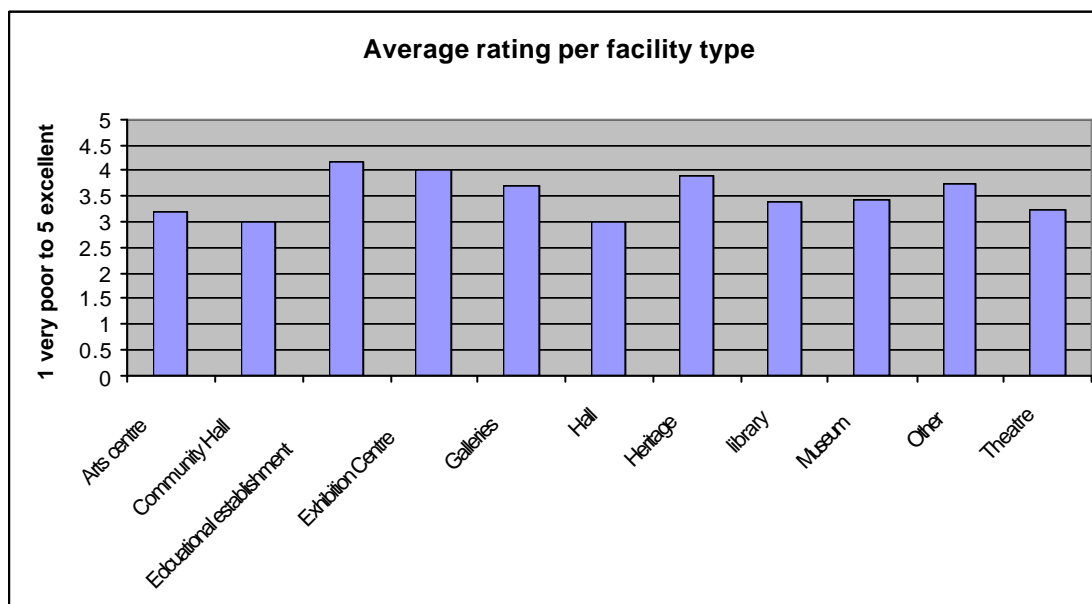
Data analysis

Physical condition

5.59 Guidance was given to allow respondents to rate the condition of each facility recorded on a scale from 'excellent' to 'very poor'. In the workshops, it became apparent that the data generated by this question may not provide an accurate picture of the condition of the cultural estate and may not be an accurate base for assessing future investment requirements. Respondents had recorded the condition of the structure of the facility, not its fitness for purpose and it was noted that many of these assessments had been made on the basis of subjective judgement as opposed to detailed condition surveys.

5.60 The responses on structural condition indicated that the majority of facilities are rated as 'good' or 'average' but many of these buildings may be unsuitable for current cultural activities. Survey responses relating to building condition are shown in Graph 5.4 and indicate that all facility types were rated on average as being 'average' condition or better:

Graph 5.4 – Average rating of building condition by facility type



Access

5.61 Put into context, it is widely noted that much of Scotland’s cultural provision is housed within aging buildings, many of which are listed. The National Museums Audit identified that 63% of museum buildings are listed or scheduled. Whilst this demonstrates that such facilities are custodians of Scotland’s built heritage as well as custodians of collections, this does present a number of issues in terms of compliance with modern standards.

5.62 The Museums Audit noted that a significant number of museums have yet to address the basic provision required by the Disability Discrimination Act (DDA), which includes provision for staff and volunteers as well as public. As noted:

“There are substantial revenue and capital requirements on a national scale if all museums are to meet acceptable modern standards. It is likely that museums have underestimated the overall cost of DDA compliance.”

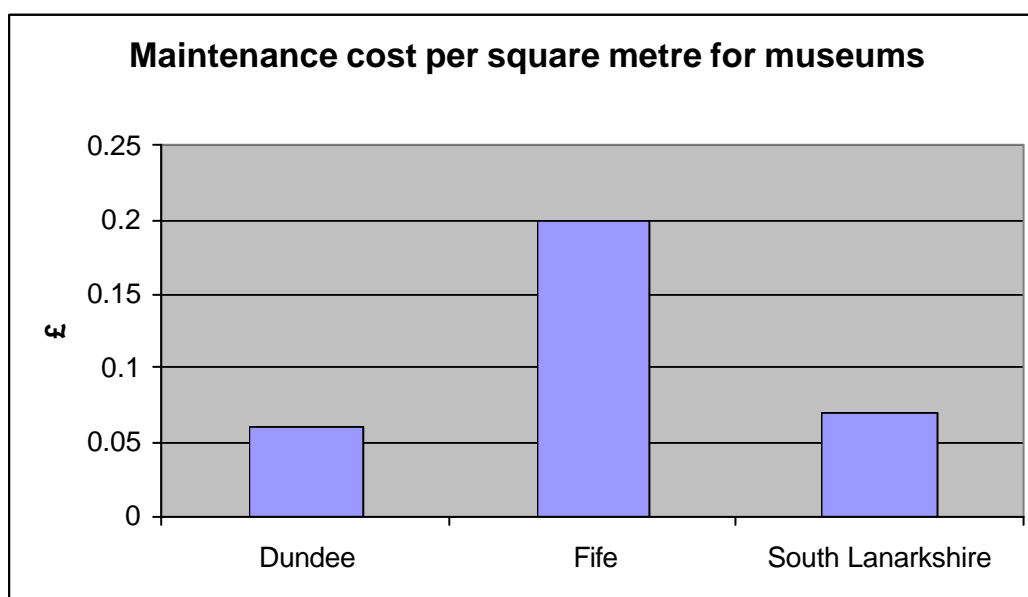
5.63 Such findings are supported in a broader cultural context through the audit, which identified that 49% of facilities are not currently compliant with DDA. It is, however, unclear how far LAs have progressed in dealing with such issues.

Repairs and maintenance

5.64 Given the quality of data provided, it has only been possible to undertake a comparison of average expenditure on museums and libraries by a small number of local authorities.

5.65 Graph 5.5 highlights the average maintenance spend on museums in Dundee, Fife and South Lanarkshire and demonstrates that maintenance spend per square metre is currently low. There are a number of reasons why this may be the case but, through consultation and in recognition that many museums are housed in old buildings, it is considered most likely to reflect the pressures upon LA budgets and a general underinvestment in cultural facilities.

Graph 5.5 – Museum maintenance costs



5.66 Further analysis of the data shows that in the case of libraries a similar pattern of low maintenance expenditure per square metre exists. It would be important to reinforce these initial findings with more comprehensive data from all local authorities.

Sports facilities

5.67 As noted, sport is included within many people’s definition of culture and it is therefore important to acknowledge the role of sporting activities within Scottish cultural life within this report. It is particularly important when considering that sports facilities will be competing with other cultural facilities to access many of the same funding sources.

5.68 The 2001 Ticking Time Bomb study commissioned by **sportscotland**, conducted in co-operation with COSLA, into Scotland’s public swimming pool estate identified that Scotland’s swimming pools will require £540 million re-investment by the year 2020 if they are to continue to serve the needs of the population. This is equivalent to £25 million per year at 1998 prices.

5.69 The aim of the above study was to estimate the overall scale of the problem, against a background of continuing pressures on local authority budgets. Swimming has been identified as an important priority within Scottish sport at a number of levels and this report clearly highlights the need for significant investment.

5.70 In terms of information regarding the condition of sports facilities generally, this **sportscotland** work has yet to be finalised but information regarding the condition of indoor sports facilities is currently being collated and it is anticipated that this will be reported to the Scottish Executive during the summer of 2005.

Procedures to assess value and condition of facilities

5.71 An important aim of the LA survey work and analysis was gaining an understanding of how local authorities are currently assessing their cultural stock in terms of its performance, value and condition. Moreover, the objective was to consider how this is being carried out for the cultural stock relative to other agendas, including the relationship with other property assets in local authority ownership.

5.72 Each local authority was questioned with regards their current method of assessing and reviewing their cultural assets and to provide additional commentary on their individual approach and issues arising from this. The key headlines from the feedback are summarised in Table 5.5 below:

Table 5.5 – Local authorities assessment of cultural assets

Type of Review	<u>Yes</u>	<u>No</u>
Asset Management Plan	10 + 1 partial	3
Best Value Review	11	3
Asset Register/Existing Use Valuation	11 + 1 partial	2
Alternative Use Valuations	3	11
Planned Maintenance Programmes	11	3
Condition Surveys	11 + 1 partial	2

- 5.73 From the sample of 14 local authority responses to these questions it is evident that the vast majority of them have in place Asset Management Plans as part of their portfolio reviews, to include their cultural facilities, as would be anticipated. This is linked to wider corporate exercises on Asset Management Planning, although several authorities have only recently initiated this process. An emerging theme is that the Asset Management Planning process tends to be led by non-cultural assets within the Council's portfolios (e.g. education) and it would be interesting further to explore the extent to which the cultural stock is reviewed on a comprehensive basis as part of this approach.
- 5.74 Allied to this, the vast majority of authorities have undertaken Best Value Reviews, although there is no specific information regarding how up to date these are/how frequently they are reviewed, or to what extent these are used to interrogate the performance of their cultural portfolio against Key Performance Indicators.
- 5.75 For several authorities, the Best Value review related to specific elements of the cultural stock only (e.g. libraries and/or museums or elements of the museum portfolio), rather than a consistent approach across the whole of the cultural estate. North Lanarkshire indicated that it is carrying out a "cross cutting" Best Value review of Lifelong learning involving community arts provision.
- 5.76 Examples of more specific and targeted assessments of cultural assets and performance include Orkney, who stated that their 2000 Best Value review of Museums and Heritage led to them identifying need for an Orkney Boat Museum and a Museum Store/Research facility. The review had therefore been proactively used to identify shortfalls in the existing provision. They are also carrying out an Arts Capital Strategy due for completion in autumn 2005.
- 5.77 In addition, Scottish Borders indicated that they have specific Library Management Information Software and a Dynix Library system in place, which provides information on stock and facilities usage, and also Visitor Attraction Grading schemes that will be useful in informing Best Value reviews for their cultural assets.
- 5.78 South Lanarkshire provided a very clear and focused statement on the respective roles of its Resource Asset Management Plan and its Corporate Asset Management Process; the former will "assess the performance of cultural stock in terms of value, suitability, condition, financial and energy performance." The latter "is aimed at improving the utilisation of assets and encouraging partnership and joint use of facilities."
- 5.79 11 of the 14 authorities have Asset Register and Existing Use Valuations relating to their cultural facilities, although there is no information on how up to date these are. However, only three authorities had carried out Alternative Use Valuations to assist in establishing potential value that may be released through elements of the portfolio, if appropriate. The implication is that more could be done within the majority of authorities to proactively identify residual value that may exist within the cultural portfolio, which could potentially be released to more effectively meet other cultural or wider corporate objectives. This will particularly relate to assets that are underperforming/do not meet current need or locational requirements and have major backlog maintenance issues. The challenge for Cultural Services Departments is to firstly ensure that cultural activity has established sufficient priority in local authority thinking to mean that value released is focussed upon cultural needs.

- 5.80 Interestingly, Orkney indicated that their Corporate Property Unit is using new software to analyse the asset register, identify surplus property and consider alternative uses/disposal, which may be an approach that is worth investigating further in terms of its effectiveness and potential wider relevance. Generally the experience of alternative use assessment in the other authorities appears to have been on a far more ad hoc basis, if carried out at all.
- 5.81 Positively 11 or the 14 authorities have planned maintenance programmes and condition surveys for their cultural facilities. In practice, the biggest issue is likely to be the extent to which revenue and capital is available to meet the actions identified in the plans, beyond the absolute minimum/statutory requirements under Health and Safety and DDA regulations, making it a reactive process due to budgetary constraints. Again there exists an inconsistency of approach both between and with authorities (e.g. Edinburgh commissioned specialist condition surveys for all facilities in 2004, where as Falkirk has indicated that condition surveys exist for some properties only). Other authorities have in house teams undertaking this work and/or carrying out planned maintenance programmes (e.g. Orkney and Scottish Borders).
- 5.82 Relatively limited commentary was provided by the authorities to gain an in depth understanding of their detailed approach to assessing cultural assets and their relationship with wider property decisions. The potential next stage would be to have more in depth discussions with say two authorities to provide a case study on each to develop some of the emerging themes (e.g. South Lanarkshire).
- 5.83 There exists an inconsistency of approach in terms of the level of information and frequency of review for the cultural stock in terms of its performance, condition and value. In part this is due to the lack of specific criteria for Asset Management Planning and a need to have a degree of flexibility between different authorities. However, a minimum set of areas for assessment could perhaps be suggested, together with minimum performance indicators. It will be important to identify the tangible benefits for Local Authorities in carrying out this work on a regular basis, within the context of resourcing and budgetary pressures.
- 5.84 It appears that a stronger link needs to be created between the “need” for certain cultural facilities and commercial opportunities that may exist to release value from underperforming/outdated assets through a structured and objective approach. This will require cross departmental working and review (Culture/Estates/Planning).

Summary: Condition of cultural infrastructure

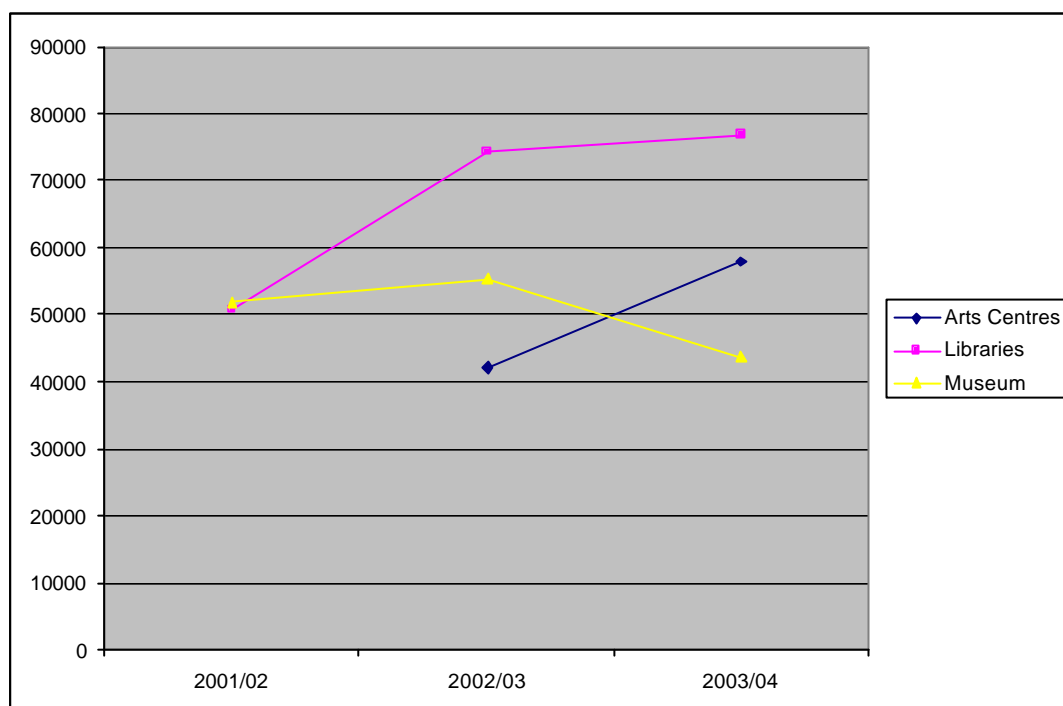
- the lack of comprehensive audit information leaves gaps in knowledge as to the true condition of the cultural infrastructure. Completing a comprehensive audit collecting information regarding building condition and maintenance requirements is essential to inform future investment strategies regarding repair and new build of cultural facilities.
- there is a perception within VOCAL that the findings from the Ticking Time Bomb report regarding the condition of swimming pools in Scotland is replicated for wider cultural facilities. Some of the survey analysis does not verify this which questions on what basis statements regarding condition of building are being made. In addition, building condition alone does not assess whether that building is fit for purpose with the view expressed that many are not.
- approximately 50% of cultural facilities are not DDA compliant and this is likely to have substantial cost implications.
- for museums there is currently a low spend on repairs and maintenance per square metre. This is considered more likely to reflect pressures on local authority budgets and an underinvestment in maintenance as opposed to the actual maintenance requirements for these facilities. This needs to be verified with a detailed quantified understanding of the requirements of DDA compliance and general repairs and maintenance requirements.
- Asset Management Planning tends to be led by non-cultural assets and there is a need to ensure that cultural stock forms a comprehensive part of this analysis.
- few authorities have carried out Alternative Use Valuations to assist in establishing potential value that may be released through elements of the portfolio, if appropriate. The implication is that more could be done within many of authorities to proactively identify residual value that may exist within the cultural portfolio, which could potentially be released to more effectively meet other cultural or wider corporate objectives. This will relate particularly to those assets which are underperforming or do not meet identified needs. Earlier analysis has questioned the degree to which the needs of residents are identified to help provide strategic direction in the provision of culture.
- there is potential to link a minimum set of areas to be covered in assessment of condition and value to a series of performance indicators, offering tangible benefits for local authorities within the context of resourcing and budgetary issues.

Operational and financial analysis

Throughput

5.85 Graph 5.6 presents a comparison of average attendances at museums, libraries and arts centres over the last three years.

Graph 5.6 – Average attendances at museums, libraries and arts centres between 2001/02 and 2003/04



5.86 Graph 5.6 highlights increasing attendances in arts centres and libraries over recent years, but a declining average attendance at museums in Scotland. If these trends are verified by more comprehensive data there are implications for museums in Scotland to examine how their offer can attract an increased throughput.

5.87 Average attendances at museums in 2003/04 were 43,682, which supports the findings from the National Museums Audit that noted 88% of museums had fewer than 50,000 visitors.

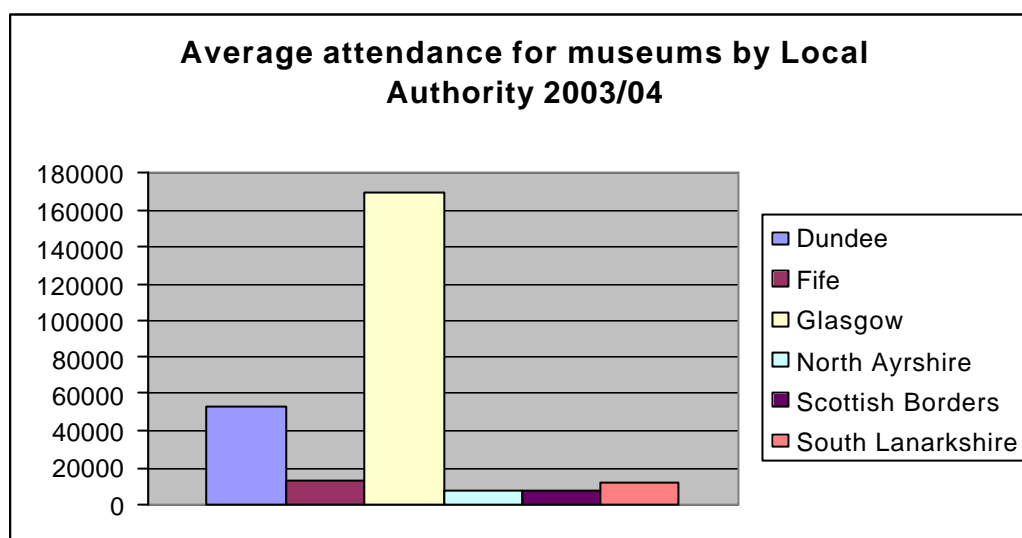
5.88 The rise in library usage occurred despite a drop in the number of books borrowed. This reflects the increasing diversification by libraries. Examples of this include the introduction of new information services and increased use of computers through the People's Network. This serves to reinforce the importance of diversifying services to adapt to new trends.

5.89 Graph 5.7 shows average museum attendances by LA and appears to show some significant differences between LAs. The average attendance in Glasgow is three times higher than any other LA (with data provided), which is not surprising in the context of the national scale of museums in Glasgow and the size of the population catchment area. The National Museums Audit found that 3% of sites in Glasgow had in excess of 250,000 visitors.

SECTION 5 – CULTURAL PROVISION

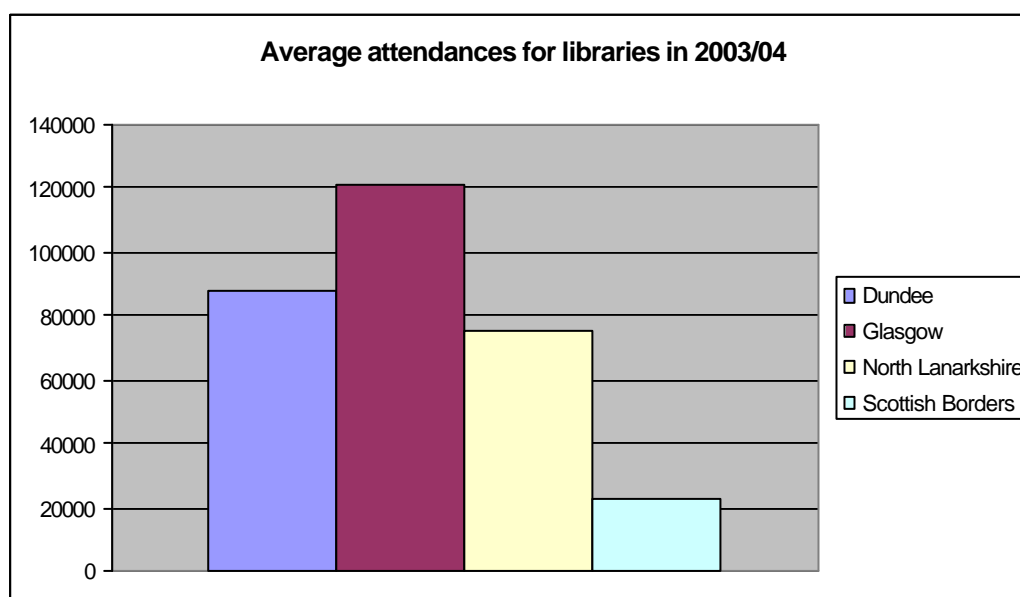
- 5.90 It is also interesting that Dundee has the next highest average, again significantly higher than other authorities, potentially indicating a difference between urban and more rural authorities in scale of museum provision and attendances.
- 5.91 In addition it is important to note that 43% of museum sites are only open for part of the year, which impacts upon variances in attendance figures (source: National Museum Audit, 2002).

Graph 5.7 – Average museum attendance by LA



- 5.92 As the scale of museum provision differs, there are implications in setting performance standards and making meaningful comparisons. Glasgow will face very different issues in the provision of museums than North Ayrshire, for example.
- 5.93 Graph 5.8 highlights a similar trend for libraries as museums, although the variation between local authorities is less marked. The urban authorities of Glasgow and Dundee have the highest average attendances for libraries, a factor likely to be influenced by scale of facilities.

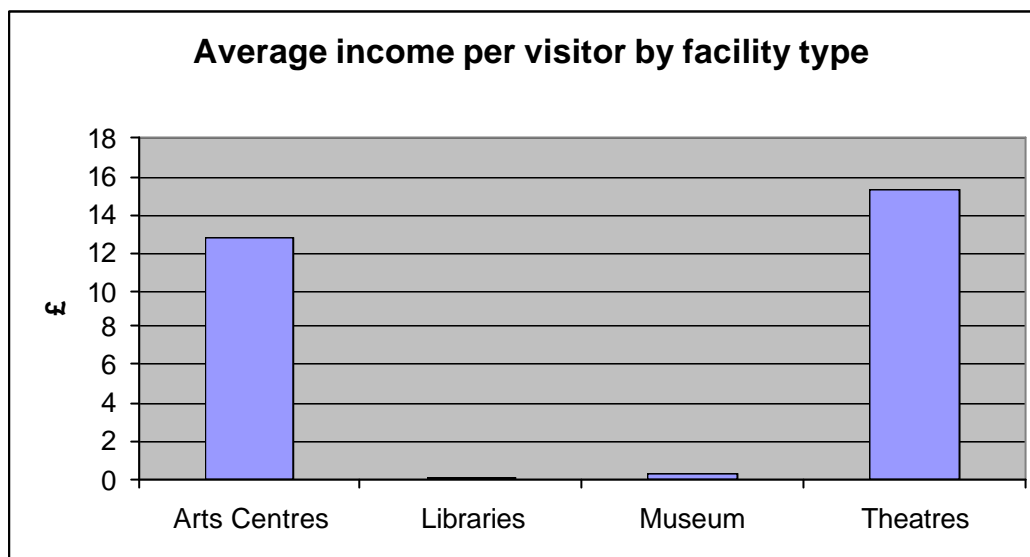
Graph 5.8 – Average library attendances



Income per visit

5.94 Income per visit highlights the total income received and includes secondary spend such as vending. The higher the score, the better the financial performance.

Graph 5.9 – Average income per visitor



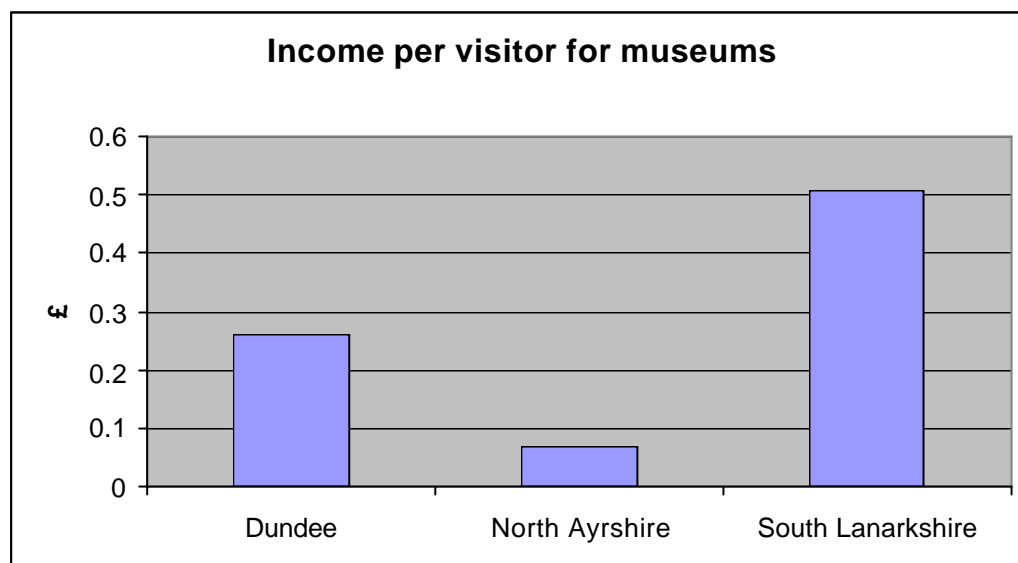
5.95 Graph 5.9 clearly highlights the variation in visitor spending profile for different facility types with theatres (£15.36) and arts centres (£12.79) generating considerably more income per visitor than libraries (£0.16) and museums (£0.28). In relation to museums, this figure is significantly below the findings from the National Museums Audit which noted the average at just under £4 per visitor.

5.96 However, through examining income per visit from theatres by different LAs, there is a significant variation between Glasgow at £39.79 per visitor and South Lanarkshire at £1.12 per visitor. It should be noted that the Glasgow figure only includes two museums (both identified as national) but it is probably fair to state that these differences relate to scale of provision and indicates the difficulty of comparing like with like.

5.97 These income profiles have significant implications for developing effective revenue models to ensure that access to quality libraries and museums provision, and community scale facilities, is maintained.

5.98 In relation to those facilities with higher income per visits, whilst the income figures are positive from an operational perspective it is also important to consider the strategic role of these facilities. The importance of widening access and ensuring that culture is accessible to all groups was noted throughout Section 3, particularly in relation to the issue of removing cost as a barrier to nationally significant culture.

Graph 5.10 – Museum income per visitor



5.99 Graph 5.10 illustrates that income for museums varies from £0.51 per visit to £0.07 per visit. There does not appear to be a link between income per visit and overall attendances as although Dundee has higher average attendance figures, income per visit is around half of that for museums in South Lanarkshire, which has one museum of national, and one of regional, significance.

5.100 The National Audit of Museums confirms that secondary income from retail and catering is modest and that there is limited ability to invest in such facilities to improve this profile.

5.101 The perceived limited ability to increase net income from visitors has considerable implications for many museums, given the difficulty in stretching existing budgets to meet core museum functions such as basic documentation and research as well as the increasing requirements for digital collections and remote public access.

5.102 An evaluation of income per visit for libraries across three LAs shows a variation across LAs although the figures remain relatively low. This is not surprising given the fewer income streams of libraries but it does have implications for a local authority in managing efficient cultural provision.

Income per square metre

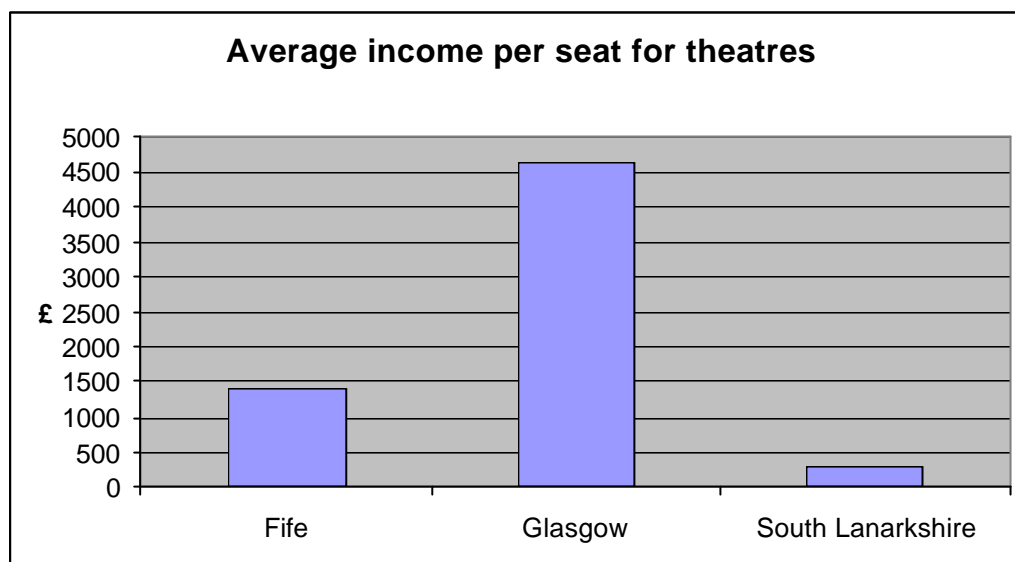
5.103 It was only possible to undertake a limited analysis of income generated per square metre of facility (see Appendix I). Available data indicate that:

- for libraries the range of income per square metre varies between £3.52 and £19.13 – the average £13.21 per sqm
- museums show a greater variance between £1.68 and £17.26 per sqm – the average of £9.99 per sqm
- the data indicate that on average museums generate less income per square metre than libraries.

Income per seat

5.104 As there was no meaningful data provided for cinemas/visual arts facilities it has only been possible to examine income per seat of theatres across three local authorities.

Graph 5.11 – Theatre income per seat



5.105 Graph 5.11 shows variation between local authorities in the income per seat from theatres. This supports the income per visitor figures and relates to the fact that Glasgow is home to national scale facilities which act as a tourist attraction as well as a cultural resource for Scottish citizens.

5.106 In comparing Fife to South Lanarkshire the graph highlights that Fife theatres make approximately five times the income per seat as South Lanarkshire. Again this can be attributed to the existence of two national museums in Fife compared to more community based provision in South Lanarkshire. In light of such differences income per seat is a measure that is most appropriate if broken down to benchmark the income per seat of similar scale facilities.

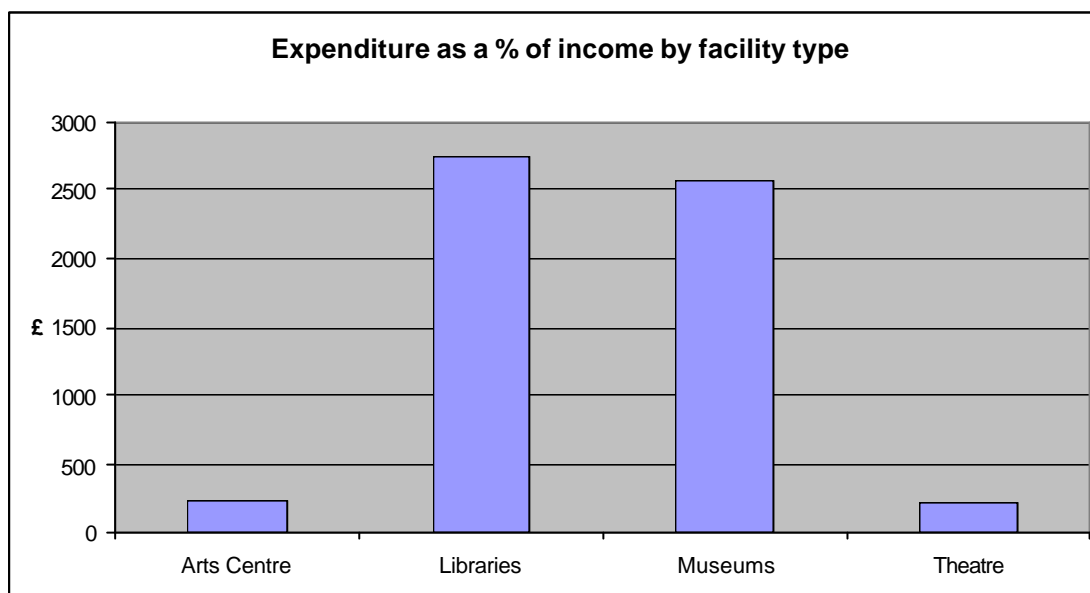
Expenditure

5.107 Graph 5.12 highlights expenditure as a percentage of income for different facility types. It clearly illustrates that expenditure is far in excess of income for all cultural facility types but that theatres (226%) and arts centres (240%) are closest to matching expenditure to income. This is not surprising for theatres given the profile of income per visitor and per seat.

5.108 In reviewing the data available only one museum has a higher level of income than expenditure whilst library provision varies greatly from very small scale facilities operating with very little expenditure to the majority which operate with expenditure over one thousand times the income levels.

5.109 The general message from these data is the challenge to develop sustainable revenue models for cultural facilities. Whilst these may not take facilities to breakeven they can have a significant impact upon a local authority’s revenue budget for culture and thus the impact this money can have. Section 6 will examine these issues in more detail.

Graph 5.12 – Expenditure as a percentage of income



Subsidy per visit

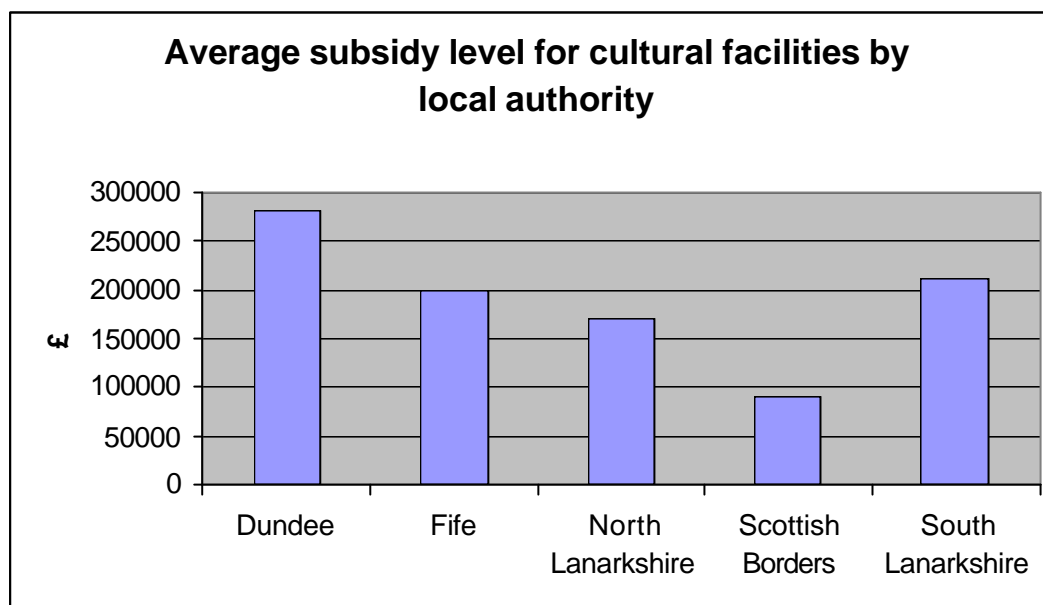
- 5.110 Subsidy per visit data highlights the level of subsidy per user of the facility, based on total costs less income, divided by the number of visits. The lower the score, the better the performance.
- 5.111 Subsidy per visit shows that for both museums and libraries subsidy levels are quite high for every individual who visits these facilities, basically reinforcing that these facilities are not generating sufficient income to cover costs (see Appendix I).
- 5.112 This serves to re-emphasise the importance of improved efficiency and effectiveness in the way that facilities are operated and the need to meet the strategic agenda of widening access to culture for all groups within the community.
- 5.113 Subsidy per visit is a performance indicator currently used for sport and leisure facilities by Sport England and it could be a good example of one to include for cultural facilities in Scotland. It is logical to compare facility types and by using number of visitors as a point of comparison large and smaller scale facilities can be directly compared.

Average subsidy

- 5.114 Average subsidy presents the average amount of money that is being used to subsidise the operating costs of cultural facilities within each local authority area.

5.115 Graph 5.13 highlights that average subsidy levels per cultural facility vary from £89,252 in Scottish Borders to £279,000 per facility in Dundee. These figures do not take account of the different facility mixes within these authorities (certain facilities such as theatres tend to have higher subsidy levels). For example, Scottish Borders includes a series of localised facilities with both primary and secondary school sites and 16 community centres within their facility mix.

Graph 5.13 – Subsidy levels for cultural facilities



5.116 Appendix I presents graphs highlighting average subsidy levels for both museums and theatres. These show that average museums subsidy varies from £329,000 in Dundee to £31,041 in Scottish Borders and, linked to attendance figures, reflects the varying scales in provision between an urban and rural authority. The average subsidy level for museums across four local authority areas is £158,937.

5.117 In terms of average subsidy for theatres, the average across four local authority areas, is £315,065 per theatre, double that for museums. In both Fife and Glasgow the average subsidy per theatre is over £400,000. North Lanarkshire has the lowest average subsidy level for theatres at £104,900 per facility.

5.118 The implication from these figures is that cultural facilities require a considerable subsidy to meet operating deficits. This places particular pressure on LAs in the provision of culture for their residents and further reinforces the importance of ensuring that cultural rights and entitlements are agreed and explicitly articulated, that culture looks to tap into the cross cutting agendas identified to help find new revenue streams, and that usage of existing facilities is maximised.

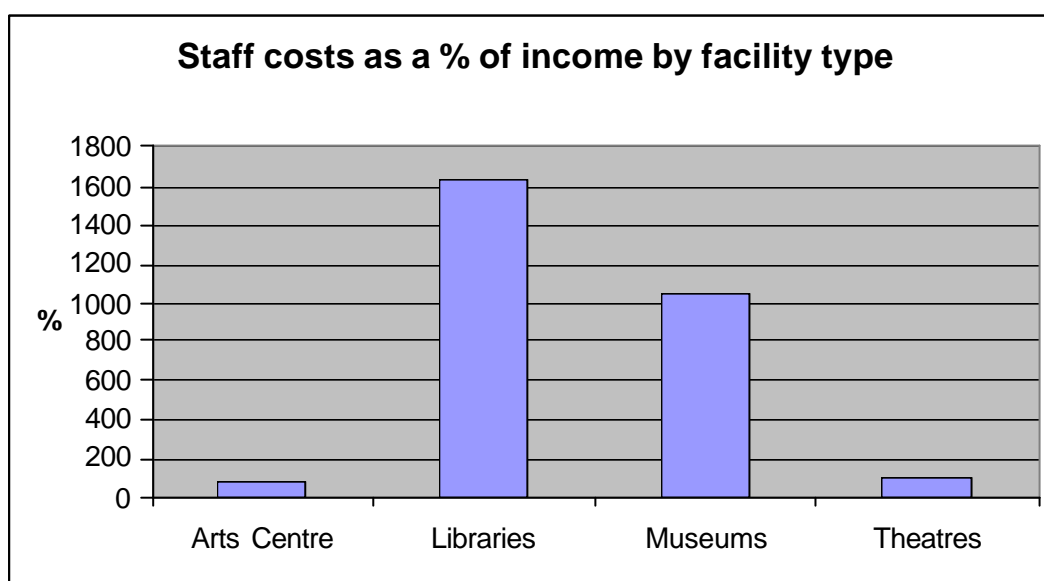
5.119 The model of localised community provision through a network of schools and community centres in Scottish Borders appears to be economically efficient but it is not clear how well this meets the needs of local residents and whether these facilities are fit for purpose.

Staffing

5.120 In most cultural facilities the single biggest item of expenditure is staff costs. These can be analysed in terms of staff costs as a percentage of income, with a low score indicating a better financial performance.

5.121 Graph 5.14 highlights that, for both libraries and museums, staff costs are significantly in excess of income. This follows the pattern of overall expenditure against income. However, staff costs for arts centres (90%) and theatres (105%) is almost equivalent to income. These patterns are not surprising given the overall profile of expenditure as a percentage of income as identified previously (see Graph 5.12).

Graph 5.14 – Staff costs as a percentage of income



5.122 In addition, the following key facts in relation to staffing at museums is noted in the National Museums Audit:

- museums rely on a mix of paid staff and volunteers
- there are 2,899 full time staff in the museum sector; of these, the national organisations employ 46% and LAs 26%
- 53% of staff working in the sector are volunteers with a lack of specialist staff significantly impacting on museums ability to deliver core and additional services
- the prevalence of seasonal staff in independent museums reflects the dependence on earned income from visitors and lower proportions of grant income
- recommendation that a volunteer management programme be implemented in order to overcome a reliance on a fluctuating number of volunteers which at present can result in a loss of corporate knowledge

SECTION 5 – CULTURAL PROVISION

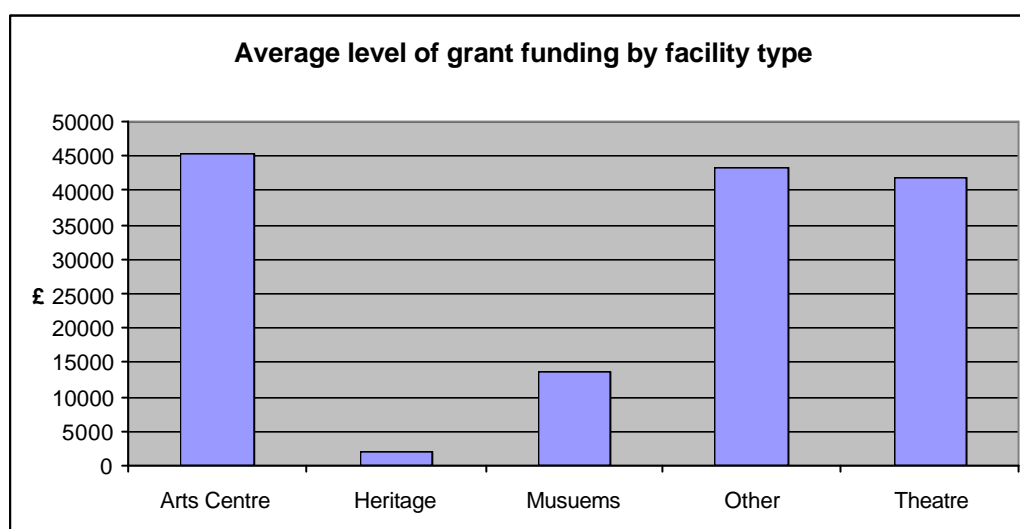
- 'the current staffing profile and approach to training cannot be sustained if museums are to meet basic responsibilities for stewardship and increasing expectations of access and services'. (National Audit of Scotland's Museums and Galleries, 2002).

5.123 The challenge for museums is to improve workforce capacity, which is a challenge when expenditure significantly exceeds income.

Funding

5.124 Graph 5.15 highlights the average external grant funding levels for different types of cultural facility.

Graph 5.15 – Grant funding levels



*It should be noted that one arts centre with a grant of £489,000 was not included within the calculations so as not to skew the small data sample.

- 5.125 Graph 5.15 again shows the varied profile in grant funding for different facility types. On average, arts centres, theatres and 'other' types of cultural facility receive the most grant support, in excess of £40,000 per annum per facility. This supports Graph 5.10, which shows that income per visitor is higher for arts centres and theatres.
- 5.126 In terms of museums, grants range from substantial sums of £186,000 down to small scale grant funding of £1000. Heritage sites receive the least amount of funding, on average £2,000 per annum per facility.
- 5.127 In evaluating these figures, it should be recognised that grant funding varies on an annual basis and to be useful for comparative purposes, a longitudinal assessment of grant funding is required.

5.128 The National Museums Audit highlighted the following findings in relation to funding for museums:

- there is a difference in funding patterns between types of museum. For instance the four national organisations and LA museums receive the majority of their funding from a single identified source. In contrast the independent museums have a pattern of funding that does not rely on a single source of income, the most important source being admission charges (21% of overall income). LAs provide 13% of independent museums overall funding
- the Scottish Executive provides 76% of funding for the National Organisations while LAs provide 83% of the income for museums they operate
- only 48% of 170 organisations had an acquisitions/purchase fund in 2000/01
- 'sustainable funding solutions for most museums require identified core funding for core museum services including basic stewardship. In the absence of such core funding, core museum services are at risk and in extreme cases the museum organisation itself may be at risk.' (National Audit of Scotland's Museums and Galleries, 2002). This is consistent with previous reports on museums in Scotland and England.

Summary: Operational and financial analysis

- as noted, the lack of quality data has made drawing conclusions very difficult. It is anticipated that the recommended comprehensive audit of provision would include questions regarding operations and finance in order to verify the findings of this report and begin to benchmark cultural facilities.
- whilst the measures analysed may help to form useful standards for benchmarking the provision of cultural facilities it would be dangerous to develop the exact benchmarks until a full understanding of the current situation is developed.
- it is possible to conclude that there is significant variation in the operational profile within facility types as well as between types (as may be expected). In this sense, there should be caution when examining museums, for example, as like for like facilities. Their seasonal nature, varied staffing profiles, different sizes, catchments areas etc should all be considered. Hence, it is important to examine measures that enable an accurate point of comparison to be made. In illustration, income/subsidy per visitor provides a valid comparison.
- these differences must also be taken into account when trying to benchmark local authority services. At the most basic level, a different facility mix provides very different income and expenditure profiles for a local authority. We have indicated that libraries and museums have different expenditure vs income profiles to theatres and that theatres have the ability to generate a significantly greater income per visitor than other cultural facilities.
- staffing is a crucial issue in ensuring that the highest standards of provision are maintained particularly in the museums sector which relies heavily on volunteers. Building workforce capacity is a theme identified within the Strategic Review.
- the analysis highlights some potential performance indicators that could form part of a new performance monitoring system for culture. It is recommended that once the current picture of provision is fully understood that further work is undertaken with the key stakeholders to refine and agree these measures.
- it is very clear is that cultural facilities are expensive to operate and maintain and are competing for increasingly scare resources. In light of this, and with the need to deliver a quality service for the citizens of Scotland, there is clearly a need to examine new income streams and operational models that will help balance these competing demands. Section 6 covers these issues in further detail.

Introduction

- 6.1 This section builds upon the current picture of cultural provision in Scotland to investigate the potential funding and delivery solutions for cultural facilities, specifically examining:
- the major funding sources that could provide solutions to funding capital and continuing revenue requirements for culture
 - potential management and delivery options
 - opportunities for maximising the use of existing resources through rationalisation and ‘packaging’ of facilities
 - best practice examples in the delivery of culture.
- 6.2 The objective of this section is to inform investment strategies for delivering the cultural rights and entitlements of Scottish citizens.

Funding

- 6.3 There are a number of options available to support cultural facilities financially. Some of the funding sources will be more relevant to particular types of facility development or particular areas. These options include:
- local authority funding
 - regeneration/enterprise funding
 - European funding
 - charitable trusts and foundations
 - grant funding
 - sponsorship
 - commercial income generation
 - enabling developments
 - fundraising
 - Public Private Partnerships (PPP), including Private Finance Initiatives (PFI)
 - prudential borrowing.
- 6.4 Given the number of funding sources available and differing criteria and requirements for each type of funding, it may be more appropriate to examine more innovative funding solutions such as amalgamating some funding sources into a National Cultural Fund. This is addressed later in this chapter.

Local authority funding

- 6.5 Local authorities (LAs) play a central role in supporting culture regionally, not only through direct funding of organisations, facilities and events, but also through the management of facilities.
- 6.6 Capital programmes are the traditional method of providing investment in cultural facilities. However, it is clear that with the pressure on existing programmes, local authorities may need to consider whether smaller amounts of existing capital resources can be used as ‘seed funding’ to help encourage other forms of investment.
- 6.7 LAs also provide revenue support to cultural facilities in the form of grants or subsidies. Section 5 summarises the current level of revenue support given to cultural facilities by LAs and the analysis indicates that there is significant variations in the level of revenue support provided. Rationalisation of facilities, shared services and strategic sourcing (bulk purchasing) could be used to ensure funding from local authorities is maximised and achieves best value. These concepts are explored later in this section.

Regeneration/enterprise funding

- 6.8 Culture is now recognised as one of the most effective drivers for regeneration. Iconic new cultural buildings such as Sage Gateshead and the Guggenheim Museum in Bilbao have produced for their respective cities significant positive economic impact. By investing in culture and being willing to embrace modern, signature architect-led contributions to the urban scene, formerly 'unattractive' cities have re-branded themselves as major cultural centres. Other cities that already have an established reputation for cultural excellence have added to their offer by commissioning new cultural buildings. Examples are the Jewish Museum in Berlin and the Lowry in Manchester.
- 6.9 The competition to be designated European Capital of Culture has generated much cultural energy in Europe. Launched in 1985, it was designed to "contribute to bringing the people of Europe together". Since then, it has become ever more popular with the citizens of Europe and has seen its cultural and socio-economic influence grow through the many visitors it has attracted. Such was the excitement and positive endeavour generated by the Inverness/Highland bid to be Capital of Culture in 2008, for example, that although unsuccessful, it has led to a major year long cultural event embracing the Highland region, Highland 2007.
- 6.10 Perhaps the most well known example of re-branding on the basis of cultural identity, however, is Glasgow, European Capital of Culture in 1990. The opportunity that this event offered to change people's perceptions of the city was seized successfully and a number of projects since then have underlined Glasgow's place as a pre-eminent cultural metropolis, drawing in significant visitor spend.
- 6.11 A report by the Scottish Economic Policy Network entitled *The Economic Impact of the Cultural Sector in Scotland* (2004), highlighted the economic benefits to Scotland of investment in culture, including:
- expenditure on the arts creates more additional employment per pound than general government expenditure, this supports government spending in the cultural sector rather than using monies for alternative general government spending
 - every one job in the museum and galleries sector supports a further 0.64 jobs in other sectors
 - museums and galleries create more additional income per pound spent than general public expenditure
 - the cultural sector generates significant levels of additional activity in Scotland.
- 6.12 It is anticipated that some cultural facilities, because of their economic or regional situation, may be able to access specific regeneration or redevelopment funding sources.

- 6.13 The **Scottish Enterprise** (SE) network is comprised of the Scottish Enterprise and 13 Local Enterprise Companies. It is funded through the Scottish Executive's Enterprise and Lifelong Learning Department and its responsibilities include supporting and developing initiatives for the Creative Industries sector, which provides an estimated 70,000 jobs and £5 billion of economic activity in Scotland. The key role of SE is, however, to act as catalyst and provide seed funding, encouraging the private sector and other public bodies to contribute to projects which are of economic benefit.

Case study: Highlands and Islands Enterprise and HI Arts

In 1991, to support the promotion of arts and cultural activity in the Highlands and Islands, Highlands and Islands Enterprise (HIE) set up Highlands and Islands Arts Ltd (HI Arts), a limited company with charitable status. HI Arts is contracted by HIE to deliver, on its behalf, an annual programme of arts development and promotion. The Scottish Arts Council also funds this programme and HI Arts has been particularly successful in securing SAC National Lottery Funds to support local work. HI Arts is based in the offices of HIE, employing ten staff and a range of project workers. Among HI Arts' key activities on behalf of HIE are:

- a comprehensive database of arts organisations and events in the Highlands and Islands
- a three year programme of Music Industry Development and Support - MIDAS
- advising arts groups and local enterprise companies in the HIE Network, on development proposals and funding applications.

European funding

- 6.14 **EUCLID** provides international information and consultancy services to the arts, cultural and heritage sectors. Its services include running workshops and seminars, producing European Union (EU) funding fact files and a free monthly alert e-newsletter with a comprehensive update of all EU funding opportunities. It should be noted this is an organisation which provides information on how to gain funding, guidance for applying, etc, and not a direct funding body.
- 6.15 **Culture 2000** is the EU's funding programme specifically aimed at the arts and culture. It aims to promote cultural diversity by encouraging co-operation between Member States and participating countries, in particular by supporting artistic creation and preserving common cultural heritage. There are two main categories of projects, which reflect two different types of funding. These are:
- **Annual Co-operation Projects**, whereby the EC will provide €50,000 – €150,000 and no more than 50% of the total project budget
 - **Multi-annual Co-operation Projects**, whereby the EC will provide no more than 60% of the budget and up to a maximum of €300,000 per year.

Structural funds

- 6.16 Structural Funds are one of the EU's key mechanisms for reducing disparities between regions by promoting sustainable economic development in regions which are lagging behind or in decline. Most structural funds are targeted on specific regions, which are classified as Objective 1, 2 or 3:
- **Objective 1** eligible areas are those that have less than 75% of EU average GDP. It is the highest level of regional funding available from the EU. It is aimed at promoting the development and structural adjustment of the EU regions most lagging behind in development. The Highlands and Islands is a transitional Objective 1 region
 - **Objective 2** aims to support the economic and social conversion of areas facing structural difficulties. It is the second highest level of funding available from the EU. Areas qualify for Objective 2 under four strands - industrial, rural, urban and fisheries. The South, West and East of Scotland are all Objective 2 regions
 - **Objective 3** aims to develop labour markets and human resources and is directed at the long-term unemployed and those facing particular barriers to finding fulfilling employment because of their disability, racial origin, or sex. The Scottish Objective 3 Programme helps to deliver a wide variety of support throughout Lowland Scotland.
- 6.17 The two main structural funds are the European Regional Development Fund (ERDF) and the European Social Fund (ESF).
- 6.18 The **European Regional Development Fund (ERDF)** aims to improve economic prosperity and social inclusion by aiding infrastructure development and diversification of industry. ERDF funding is aimed at economic regeneration projects promoted by the public sector: ie Government departments, Regional Development Agencies, LAs, Further and Higher Education establishments, other public bodies and voluntary sector organisations. Generally grants are not made to profit-making private sector companies. ERDF grants are set at the minimum level required to allow the project to go ahead. Generally, however, the EU contributes no more than 50% of the eligible cost.

Case study: The Symphony Hall, Birmingham

The Symphony Hall opened in April 1991, as part of a larger project, the construction of the International Convention Centre. Built at a capital cost of £40 million, the project was funded through the European Regional Development Fund (£37m) and Birmingham City Council (BCC).

The Hall is host to the City of Birmingham Symphony Orchestra and has around 300 performances per year. BCC contribute a further grant to the Symphony Hall of £1.34m per annum.

- 6.19 The **European Social Fund (ESF)** supports the creation or retention of jobs and funds training and equal opportunities schemes in order to improve the employability of people in a variety of disadvantaged areas. Projects considered include those for training, employment, education, research and childcare. There is an emphasis on support for projects that increase employability or lead to sustainable jobs, especially for those disadvantaged by the labour market (eg women, people with disabilities, members of ethnic minorities and young people without skills or qualifications). ESF pays for a proportion (usually 45%) of a project's costs. The rest must be covered through match funding.

European Cultural Foundation (ECF)

- 6.20 The ECF is an independent, not-for-profit organisation that promotes cultural, social and educational activities with a multi-national and European focus. ECF's grants programme is shaped by its three different thematic priorities. These are: stimulating social participation through arts, encouraging intercultural dialogue and strengthening the cultural sector. ECF's grants are usually between €5,000 and €30,000 and are awarded to independent cultural organizations from a range of locations in Europe.

Charitable trusts and foundations

- 6.21 UK trusts and foundations give around £2 billion in grants each year to charity. About 30% of trusts and foundations give to arts and recreation (source: Association of Charitable Foundations). Generally they prefer to cover areas which Government funding cannot fully cover such as one-off projects, access to services for disadvantaged and minority groups and pilot schemes to tackle existing problems.
- 6.22 Information is provided below on some of the larger UK trusts and foundations that may fund cultural facilities and projects.

The Foyle Foundation

- 6.23 The Foyle Foundation distributes grants to charitable organisations in the areas of learning, arts and health. During the financial year 1 July 2003 to 30 June 2004, Trustees approved 94 new grants in the arts sector, which ranged from £5,000 - £50,000. In total they awarded £2,803,000. Scottish cultural projects receiving funding included:

- Glasgow City Halls
- Scottish Chamber Orchestra
- St Magnus Festival, Orkney
- National Association of Youth Orchestras, Edinburgh
- Taigh Chearsabhagh Museum and Arts Centre, Western Isles
- Tabula Rasa Dance Company, Edinburgh
- Fruitmarket Gallery, Edinburgh
- Birds of Paradise Theatre Company, Glasgow
- Drake Music Project Scotland.

The Clore Duffield Foundation

- 6.24 The foundation is a grant-giving organisation which concentrates its support on education, the arts, museum and gallery education, cultural leadership training, health and social welfare, whilst placing a particular emphasis on supporting children, young people and society's more vulnerable individuals. Grants range from sums below £5,000 to in excess of £1 million, however only registered charities may apply.
- 6.25 The Foundation recently announced its new Small Grants Programme to fund performing arts education initiatives for children and young people (aged 0-18) across the UK. The Programme will be worth a total of £1 million to the sector over a five-year period from 2005 to 2010. Grants will be available to fund education projects and programmes that cover every aspect of the performing arts, including opera, dance, music, theatre, musical theatre and the spoken word.

Esmée Fairbairn Foundation

- 6.26 The Esmée Fairbairn Foundation one of the largest independent grant making foundations in the UK. In 2003 the total value of grants that the Foundation awarded was £4,491,730 and this was spread over 142 different schemes. The main general criterion for funding is that the foundation only supports registered charities and not-for-profit organisations. There are has four funding programme areas:
- Arts and Heritage
 - Education
 - Environment
 - Social Development.
- 6.27 The Foundation allocates approximately 75% of its Arts & Heritage grants budget to the Arts Programme, and 25% to the Heritage Programme. The Arts Programme has two main areas of interest: Serving Audiences and Supporting Artists. The Heritage Programme aims to preserve and provide public access to the UK's national heritage, particularly outside Greater London.

Case study: The National Gallery

In 2002 the Esmee Fairbairn Foundation, through its Arts & Heritage programme, made a grant of £134,000 to the National Gallery towards four exhibitions organised in collaboration with Bristol City Museum & Art Gallery and the Laing Art Gallery in Newcastle. The aim was to enable people in the South West and North East of England to have access to the nation's principal collection of old master paintings.

The first three exhibitions, Light, Paradise and Making Faces are now complete; Making Faces finished at the National Gallery in September 2004. The visitor figures to both Bristol and Newcastle increased substantially during the first two exhibitions, with Paradise attracting nearly 20% first-time visitors. The Stuff of Life, the fourth and final exhibition, opens in Bristol in Spring 2005.

The Jerwood Foundation

- 6.28 The Jerwood Foundation is dedicated to imaginative and responsible funding and sponsorship of the arts, education, design, conservation, medicine, engineering, science, and other areas of human endeavour and excellence.
- 6.29 The Jerwood Foundation is responsible for the capital grants of the organisation. Historically, Jerwood has been a principle source of funding. However at the present time the Jerwood Foundation is not making any decisions in relation to capital grants until such time as global economic markets are more stabilised.
- 6.30 The Jerwood Charity was established by the Jerwood Foundation in 1999. It changed its name in 2004 to distinguish its activities from the Jerwood Foundation more clearly.
- 6.31 The Jerwood Charity is now responsible for revenue awards, donations and sponsorship in the United Kingdom, which were previously undertaken by the Jerwood Foundation itself. It is dedicated to funding and sponsorship of the visual and performing arts and education in the widest sense.
- 6.32 The Charity makes revenue donations on a 'one off' basis. Grants will vary between the lower range of up to £10,000 as well as more substantial grants in excess of £10,000 and up to £50,000.

The Paul Hamlyn Foundation

- 6.33 The Paul Hamlyn Foundation is interested in supporting arts initiatives in all parts of the UK that address inequality of access and lack of opportunity to experience and enjoy the arts, particularly for young people. Priority is given to exemplary projects that are concerned with social inclusion and under achievement amongst young people, including those “at risk” and young offenders. Grants range from below £5,000 to in excess of £100,000.

Case study: Zebedees, Cornwall

Zebedees is a drop-in centre in Truro offering a range of services, including arts activities, to young people at risk. Because of the dearth of statutory youth work provision in the area, this organisation has become one of the lead players in planning the development of youth services.

The Paul Hamlyn Foundation provided a grant of £65,000 to support the refurbishment of its music facilities, which aim to engage more young people in a variety of music-making activities to help them integrate into the local community.

Wolfson Foundation

- 6.34 The Wolfson Foundation, in conjunction with the DCMS, funds improvements in National Museums & Galleries. Examples include, the Tate Gallery, the Wallace Collection and the Tyne & Wear Museums. Unfortunately such a valuable source of funding is not currently available for Scottish museums and galleries.

Grant funding

- 6.35 There are a variety of grants available to cultural facilities in Scotland. The following presents a brief description of the key funding sources.

Scottish Arts Council

- 6.36 The Scottish Arts Council is the principal channel of public funding for the arts in Scotland and includes the distribution of funds from the National Lottery. Funding priorities for organisations are for projects that increase access to the arts, in particular those that overcome economic, social, cultural or geographical barriers to involvement in the arts. Grants are also awarded to support building related projects and although there is no limit on the size of the award, competition is very strong for projects eligible for large grants.

Regional Development Challenge Fund

- 6.37 Funded by the Scottish Executive, the Regional Development Challenge Fund provides revenue support to help develop museum capacity at a regional level and to facilitate the formation of critical social and economic partnerships by museums .
- 6.38 The fund is administered by the Scottish Museums Council. Applicants must be a non-national museum and involve at least two local authority partners. The fund will support projects for three years, with the maximum level of support being £100,000 per annum.

Big Lottery Fund

- 6.39 The Big Lottery Fund primarily brings together the work of two National Lottery distributors: the Community Fund and the New Opportunities Fund. It will also take over the Millennium Commission's role of supporting large-scale regeneration projects. In total, half of the funding that the Lottery raises for good causes - currently around £600million each year - will be distributed by the Big Lottery Fund.
- 6.40 The Government has set out three types of funding programmes that the Big Lottery Fund will operate. They are:
- **Open Programmes**, which will provide funding for voluntary and community organisations and will be similar to programmes run by the Community Fund
 - **National Programmes**, which will be similar to the larger, themed programmes, of the type funded by the New Opportunities Fund. Generally they will involve larger sums of money, and will be more closely linked to Government strategy and priorities
 - **Transformational Programmes** will provide funding for major projects of national significance. It is expected the number of projects funded will be limited, and that funding will largely concentrate on capital development.

Historic Scotland

- 6.41 Historic Scotland safeguards the nation's built heritage and promotes its understanding and enjoyment on behalf of Scottish Ministers. Each year, Historic Scotland awards more than 100 grants to private owners and others to help towards the cost of repairing many of the nation's outstanding historic buildings. Historic Building Repair Grants awarded during the period 1 April 2003 - 31 March 2004 totalled £10,741,686, within this the grants awarded ranged from £545 up to £812,000.

Heritage Lottery Fund

- 6.42 The Heritage Lottery Fund (HLF) supports all aspects of heritage in the UK, from historic buildings and museums to archives, nature conservation and oral history. HLF has a number of grants programmes that can fund cultural projects, provided they are suitable and adhere to the aims of the particular programme.
- 6.43 The HLF has two standard programmes:
- **Your Heritage** awards grants of between £5,000 and £50,000 for projects that either care for heritage or increase people's understanding and enjoyment of it
 - **Heritage Grants** offers grants of £50,000 or more to organisations that aim to look after and enhance the UK's heritage, to increase involvement in heritage activities and to improve access to and enjoyment of heritage.
- 6.44 The HLF also has the following targeted initiatives:
- **Local Heritage** Initiative supports a wide range of local heritage projects with grants of between £3,000 and £25,000. It helps local groups to investigate, explain and care for their local landscape, landmarks, traditions and culture
 - **Young Roots** promotes the involvement of young people, 13-20 years old, in their heritage. It awards grants of between £5,000 and £25,000.

Scottish Screen

- 6.45 Scottish Screen is the national agency for the development of all aspects of the moving image in Scotland. They are a non-departmental public body (NDPB) funded by the Scottish Executive and they distribute National Lottery Funding to the screen industry in Scotland. The overall Lottery fund represents about £3 million per year, with grants ranging from below £25,000 up to a maximum of £500,000. Scottish Screen will give priority to projects which have the most benefit to the Scottish film industry and which have a strong cultural relevance.

City Growth Fund

- 6.46 This has been developed as a result of a review of the current prospects for the economic, environmental and social development of Aberdeen, Dundee, Edinburgh, Glasgow, Inverness and Stirling. It highlighted that £90 million will be given over the next three years to support growth and opportunities.

SECTION 6 – FUNDING AND DELIVERY OPTIONS

- 6.47 Funding for Aberdeen totals £11.5 million and includes:
- Citadel Arts Centre - £900,000
 - refurbish Victorian Gardens - £800,000
 - festivals/events - £600,000
 - Arts Fund - £1 million
 - Sports Developments - £1.5 million
 - exploring the city - £600,000
 - harbour area - £500,000
 - urban realm - £1.5 million
- 6.48 Dundee received funding of £9.3 million, all of which is for the regeneration of its waterfront.
- 6.49 Funding for Edinburgh totals £24.2 million and includes:
- Usher Hall - £2 million
 - winter festivals - £1.1 million
 - Edinburgh International Festival - £400,000
 - Theatre Fund - £1.2 million
 - MTV Awards - £100,000
 - parks - £300,000
 - city centre public realm - £8.7 million
- 6.50 Glasgow's funding totals £40 million and focuses on addressing social, economic and environmental challenges. The funding includes £6 million for the regeneration on the River Clyde.
- 6.51 In Inverness, the City Growth Fund totals £3.1m and aims to help establish the "Capital" of the Highlands, and help it respond to the economic, social and cultural challenges. Funding includes:
- upgrading of public domain around castle/river - £500,000
 - Community Trust - £100,000
 - Eden Court Theatre - £100,000

6.52 Funding for Stirling totals £1.9 million and includes:

- Sustainability Centre - £700,000
- WHO Health city - £38,000
- riverside improvements - £75,000
- castle area improvements - £50,000

Scottish Museums Council

6.53 The Scottish Museums Council (SMC) is the membership organisation for local museums and galleries in Scotland. Their aim is to improve museum and gallery provision in Scotland for both local people and visitors. One of their activities is to distribute money from the Scottish Executive as grants to their full members. For 2004/05 they will have approximately £80,000 and expect to fund between 50 and 80 projects. The maximum level of grant is £2,000. SMC grants are normally 50% of the cost of the project but they will consider applications for a higher percentage.

Sponsorship

- 6.54 Sponsorship from business can provide a source of funds for supporting cultural facilities and activities. Sponsorship is a business relationship between the provider of funds or services and the cultural organisation, event or facility, which offers in return some rights of association that may be used for commercial advantage.
- 6.55 Evidence suggests sponsorship of culture can help companies promote brands and products, create successful corporate entertainment events, develop the creativity of staff or fulfil Corporate Social Responsibility (CSR) objectives. Former Minister of State for the Arts, Baroness Blackstone stated “Partnerships offer exceptional opportunities for businesses to achieve far-reaching business objectives, to promote artistic excellence and innovation, and to collaborate effectively in improving access to the arts for all.”
- 6.56 Funds can be generated from business partners through ‘naming rights’ and other marketing or corporate communications relationship. Sponsorship may involve naming a facility, event, exhibition, activity scheme, award, etc.

Case study: Edison Mission Energy and Clwyd Theatr Cymru

Keen to demonstrate its corporate ethics and commitment to the people of Wales, Edison Mission Energy developed a partnership with Clwyd Theatre Cymru. Serving a largely rural area, Clwyd Theatre was keen to make arts accessible to as many people as possible, particularly in those areas without any facilities. Clwyd Theatr Cymru successfully launched a purpose built mobile theatre which could be moved around Wales in two articulated lorries. Emblazoned with the Edison corporate signage, the mobile theatre visits towns and villages providing a week's activities of performances, workshops, talks and outreach work. With Edison providing additional transport for those who need it, these events have attracted significant attendance levels including many first-timers.

Case study: Barclaycard

Barclaycard developed a two-year £1.9 million arts sponsorship programme, *Invest and Inspire*, which included sponsorship of major exhibitions at the British Museum, the National Gallery and Tate Britain in London, as well as all productions at The National Theatre's Olivier Theatre during 2002.

Through *Barclays Firsts*, they became involved with the Royal National Theatre's education and community work, with special emphasis on families, young people and first-time visitors. They were also involved in numerous local arts projects during the year. These included a project with Hijinx Theatre in Wales creating productions for adults with learning difficulties, and *Access Works*, an initiative with Unicorn Theatre introducing children from some deprived London boroughs to theatre.

- 6.57 Businesses may also develop cultural partnerships by providing volunteers with the skills and expertise to help develop business and marketing strategies. This often results in financial benefits for culture by improving efficiencies and/or increasing income levels. Businesses benefit by raising their profile in the community and bringing new skills and techniques back into their own company.

Case study: UDV and Dance Base

Dance Base in Edinburgh supports professional and novice dance artists with the largest selection of classes in Scotland. It undertakes valuable outreach work for schools and other organisations. After applying several times for a National Lottery grant, the organisation found itself needing to review its management structures before making their final-chance application.

Richard Smith, Logistics Manager at UDV reviewed their management principals and structures in the context of the organisation's expansion plans. From this, he was able to identify its needs and devise a practical implementation plan. His involvement culminated in a revised business plan, which was submitted in support of their Lottery Application. The application was successful and Dance Base received a Lottery award of £4.9 million.

- 6.58 Business investment in arts and culture in the UK was estimated to be £120 million in 2002/03, a rise of 8% on the previous year (source: DCMS). Although this is an encouraging figure it is recognised that the process of approaching companies for sponsorship can be time-consuming and require a significant outlay of resources.

6.59 Arts and Business Scotland is an organisation that could help Scottish cultural facilities and activities secure sponsorship. The aim of the organisation is to encourage and promote creative partnerships and sponsorship between business and the arts. It currently has over 50 business members, including:

- BBC Scotland
- Clydesdale Bank
- Diageo Scotland
- Dunfermline Building Society
- Marks & Spencer (Scotland)
- Royal Bank of Scotland
- ScottishPower
- Standard Life
- Tennent Caledonian Breweries.

Commercial income generation

6.60 Whilst many cultural facilities are not in business to make money, they should be striving towards financial independence where possible. Facilities cannot rely on grant funding forever and levels of grant award can vary significantly from year to year, making long term planning difficult.

6.61 Commercial income can provide extra investment and a level of financial security. This allows facilities to produce longer term development plans which can improve their ability to deliver their cultural aims and objectives. Methods for generating commercial income will be dependent on factors such as the facility mix available, current usage and location. Potential income sources could include the following:

- **facility hire/rental** – this may be block booking of particular spaces at specified times by local groups, ‘one off’ hire of facilities for events or a longer term commercial rental of space to provide complimentary services such as a café or bookshop
- **advertising** – either within the facility, on tickets, in publications/magazines/newsletters/programmes or on the facility’s website
- **equipment hire** – other cultural facilities or groups may wish to hire equipment such as props, lights or technical equipment
- **catering** – if the facility is in an appropriate location catering facilities such as a café can attract passing trade to increase profits as well as generate income through secondary spend from existing customers
- **corporate hospitality and conferences** – cultural facilities can provide unique spaces that can offer companies an alternative to more conventional venues. Cultural facilities can add value by integrating existing activities or exhibitions into the corporate programme or provide more tailor-made services such as team building activities based around arts or culture.

Case study: Circus Space, London

The Circus Space offers a diverse artistic programme in circus arts. One of its most successful ways of generating income is through its Corporate Workshops which can be integrated into company training days or conferences. Services offered include:

- interactive circus skill workshops for 15 to 300+ participants
- ice-breakers as short energisers
- walkabout circus entertainment
- professional Circus Cabaret Show.

In addition, Circus Space can provide specific Team Building activities, which encourage participants to communicate and work effectively together whilst learning circus skills. Corporate clients have included Unilever, Marks & Spencer, Coca Cola, Natwest, British Airways and Royal Bank of Scotland.

- **affinity marketing** – this type of marketing involves generating income from a membership or customer database (subject to Data Protection legislation). Studies in the US have indicated each name in a database could generate around \$27 per annum. This is because customers are often prepared to try a product because they feel some loyalty to the cultural organisation. However, loyalty alone will not sustain an effective affinity marketing programme, a successful scheme must also offer the customer good value
- **creative training and development** – cultural organisations can develop income generating business training courses which utilise arts based techniques to encourage companies to adopt greater creativity, improved communication skills and more collaborative working

Case study: Department of Trade and Industry (DTI) and Acting Up

Acting Up is a theatre based organisation in Edinburgh which uses rehearsal room techniques to help public & corporate sector organisations improve their performance. When the DTI was seeking new and adventurous ways of enhancing their business presentations, it invited Acting Up to collaborate with them.

The DTI were holding a series of regional conferences tackling supply chain management and wanted to find an original way of communicating a technical subject. After researching the topic and the types of businesses due to attend, Acting Up devised four 10-minute scenes for this. Performed by actors, each of these highlighted the relevant issues they wanted to address in a humorous and thought-provoking way.

- **merchandising and licensing** – ‘merchandising’ refers to a cultural facility or organisation’s products which it sells itself, with the aim of generating a profit; ‘licensing’ refers to products that an organisation gives others permission to make and sell, for which income is usually generated in the form of royalties.

Enabling developments

- 6.62 Land owned by local authorities/other cultural partners could be used as an enabling development. For example, utilising a large piece of land to develop both a specific cultural facility, but also other commercial development, may allow capital surpluses generated from the commercial development to be used to support the cultural facilities. Alternatively, the sale of land, potentially through the rationalisation of facilities, may generate additional capital receipts that can be used to develop new cultural facilities.
- 6.63 In developing or selling land, local authorities need to consider the wider requirements of the LA and need to ensure that best use is made of capital receipts.
- 6.64 Commercial development opportunities include:
- traditional Section 75 agreements
 - hotel accommodation – particularly if linked to major facilities requiring some form of residential opportunity, for example, linked to exhibition or conference facilities
 - residential developments – consideration of residential developments is an obvious source of capital income, however, there are strict guidelines around uses of land for residential development and applicants need to be mindful of the planning parameters in suggesting such opportunities
 - commercial units – retail warehousing, office space, shopping complexes, restaurants/entertainments venues or other commercial developments are again methods of generating either ongoing rental streams or capital receipts.
- 6.65 In considering any form of commercial development, applicants must ensure planning considerations and local plans are adhered to in formulating the proposals. Any proposals for the disposal of playing fields would have to satisfy the criteria set out in NPPG 11.
- 6.66 Other forms of commercial development may include contracted provider agreements with major national suppliers. For example, the catering provision for some of the larger facilities could be outsourced to specific food & beverage suppliers in return for specific revenue streams or profit share agreements.
- 6.67 As an extension of the planning framework new developments can be encouraged to support economically cultural development. This can be by way of an extension of a 'percent for art' policy for a percent for culture. This could be added as a policy position on all developments. In addition a cultural framework for each development plan would set standards of cultural provision that must be provided by developers for new towns or new settlements. This could be extended to provide a 'calculator' to assess the level of investment required, dependent upon the size of community being developed or being added to. Therefore, for an additional X number of homes and Y population, developers would need to bring forward Z amounts of cultural provision including libraries, museums, performance space, sport and leisure facilities. These could be by way of capital or revenue provisions.

Fundraising

- 6.68 A large proportion of the public in the UK gives to charity with public giving being seen as a key social indicator, shedding light on levels of selfishness and public spiritedness. However, the number of adults donating to charities is declining. This is most apparent in the 15-24 and 35-54 age groups and in the C1 and D social-economic groups (source: Henley Management College, 2002). In the future there will be fewer donors if younger people are not encouraged to change their giving habits or innovative methods of fundraising to attract donors are not devised.
- 6.69 Fundraising is already used as a vital source of funds for many cultural organisations at a local level. However, developing national fundraising strategies for culture may generate far greater levels of funds that can be directly used to deliver culture across Scotland. Detailed below are some potential fundraising techniques, it is recognised some suggestions are easier to implement and less contentious than others.

Membership/friends schemes

- 6.70 Membership schemes bring relatively small donors further into a cultural organisation. Schemes generally offer members the choice of a different range of contribution levels, each of which is accompanied by its own package of benefits. The higher the level of support the more unique or exclusive the benefits. Schemes can provide a valuable source of income and, providing the schemes offer good customer service and suitable benefits, members are likely to encourage more people to join and spend more at the facility themselves. In addition, the database of members can be used to generate additional income through affinity marketing, as discussed earlier in this section.
- 6.71 Historically, memberships are for a particular venue or organisation, however, there is the potential to develop national or regional cultural membership schemes. As well as generating funds this will improve marketing, communication and awareness of cultural events and develop a valuable database, which could raise significant revenue from advertising or affinity marketing.

Major gifts

- 6.72 Major donors are individuals who make sizeable personal contributions. The definition of a major giver varies from one organisation to another. These donors are among the most desirable sources of income for arts and culture as they tend to be reliable source of funding, making financial commitments that frequently extend over many years.
- 6.73 The largest gifts from wealthy individuals over the last fifty years in the UK have gone to universities, museums, galleries and internationally renowned cultural organisations such as the Royal Opera House. The wealth profile of the UK has changed over the past twenty years, and there are now many more people who are considered 'seriously rich' and an intermediate group of potential donors who are not 'rich' but have greater disposable income than the majority of the population. These groups can be targeted to give large sums to arts and culture if they are sufficiently motivated.

6.74 Successful campaigns to attract major gifts in the UK have often followed the strategic model established by major fundraising campaigns in the United States. This includes a seven step process:

- identify
- research
- plan
- cultivate
- ask
- conclude
- reciprocate.

6.75 However, many UK cultural organisations will need to undergo a change of culture before they are ready to adopt US techniques and fundraise successfully.

Special events

6.76 Special events such as galas and benefits have been a popular fundraising tool for many years. In theory they both generate income and raise awareness. Special event fundraising usually only require the selling of tickets for the event, often at premium prices. They provide a good way of attracting and retaining donors who are drawn to the social networking aspects of the event.

6.77 However, special events are very time-consuming to organise and have the risk of losing money due to the high costs involved. The most successful events tend to enlist volunteers at all levels of the organising team and involve a group of 'leaders' in event committees who are prominent individuals with a wide influence that can be used to generate funds through their status and encouragement of friends and colleagues to attend.

Capital campaigns

6.78 Capital campaigns are intense efforts to raise large amounts of money over a defined period of time. The emphasis is usually on face-to-face solicitations of well-qualified prospects by a team of volunteers. The campaign also typically utilises a volunteer committee who work through the operational side of the process.

6.79 Essentially the solicitation process is the same as that employed by any major gift work except with a capital campaign a specific 'product' can be offered to potential donors.

Case study: The Tate

The Tate worked through a fundraising development strategy using high-level volunteers to identify, introduce and cultivate potential prospects for major gifts. Funding was attracted from individuals in the UK and overseas for capital campaigns to create the Tate Modern and Tate Britain. The focus was to begin with the biggest gifts and the supporters closest to the gallery, moving through to smaller gifts and donors.

The main effort was expended in obtaining gifts in excess of £1 million. Gifts were solicited against named spaces in the gallery ('products') with many of the Tate Modern's individual galleries, education facilities and public spaces being named after donors.

Tax incentives and planned giving

- 6.80 The Gift Aid regulations were introduced in 2000 and have been welcomed by charities. Although the tax incentives offered to individuals through the regulations should be encouraging major giving, for example, through the tax effective giving of stocks and shares, research has shown UK charities have so far not fully utilised this advantage.
- 6.81 The new tax regime in the UK means that charities and financial service providers are now well placed to begin to design and develop planned giving products, which have proved successful in the US. Planned giving options are vehicles by which major gifts can be given over time and with tax advantages. They can also be referred to as deferred giving, organised giving or charitable gift planning.

Case study: Planned Giving in the US

Planned giving has been a huge growth area in US fundraising across all types of non-profit causes. Planned giving in the US typically includes the use of (sometimes complex) tax advantage vehicles in gifts of capital rather than cash, and therefore requires the involvement of financial and legal professionals. Planned giving vehicles include bequests, gifts of Life Insurance, Charity Remainder and Annuity Trusts, Charitable Lead Trusts and Pooled Income Funds.

- 6.82 With cultural provision being at the heart of administrative governmental aim in Scotland, the potential to use varying tax incentives should be considered. These could be by way of individuals or companies or on a regional basis. There is the potential to expand income generating propositions for raising monies corporately linked to specific regions through a form of business improvement district (BID). Some pilot work is being developed around cultural provision in the North of England on this basis. Recognising that cultural provision can directly link to economic improvement, some major corporates in a city or region could group together to partially finance these benefits which would reward the long term economic growth of an area benefiting the companies specifically. A similar approach can be applied to major landowners who would see the same benefit following from economic growth. These vehicles are at an early stage of development but could be considered further in a wider package of funding opportunities.

Scottish Lottery

6.83 A Scottish Lottery scheme could be established with the funds raised being used specifically for the development of culture in Scotland. This scheme could generate money through ticket sales for regular draws or from the sale of scratch cards. However, it is recognised this lottery would be in direct competition with the National Lottery and have an impact on UK wide funding. It will therefore require careful consideration before deciding whether the concept should be developed further.

Public Private Partnerships (PPPs)

6.84 Under Public Private Partnership contracts, a local authority may purchase a capital-intensive service from a private sector company or consortium of companies under a long-term (normally 25-30 year) contract with defined outputs. The local authority retains ownership but an operator is committed to significant investment in those facilities. The suitability of a PPP will depend on:

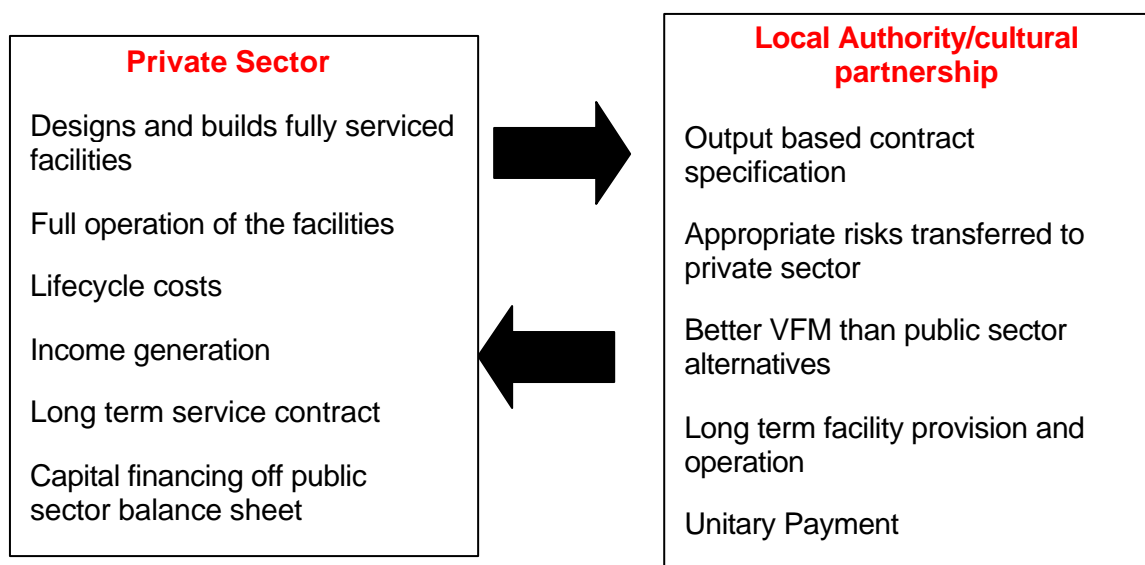
- the amount of capital investment required in the facilities
- the ability of the LA/bidding partnership to make that investment.

6.85 Under the contract, the private sector will design, build, finance and operate new facilities in return for an annual fee (a unitary charge), or where sufficient income is generated from the contract, an agreed contribution back to the local authority/bidding partnership.

6.86 The private sector recovers its costs and generates a return on investment through performance related payments (unitary charge) over the contract period and third party income from users of the facilities. Providing that the asset does not appear on the local authority balance sheet and that the unitary charge payments are only made when the service is available and to the required performance standards, then the transaction does not impact on a local authority's own borrowing approvals.

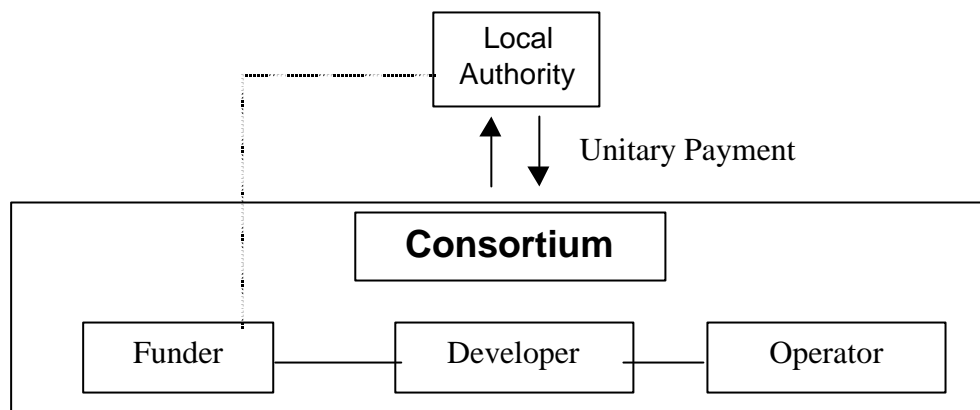
6.87 Most PPPs are delivered under the design, build, finance and operate (DBFO) process. A summary is shown in Figure 6.1 below:

Figure 6.1 DBFO process



6.88 A summary of the transaction and relationship between each party to the PPP contract is shown below in Figure 6.2:

Figure 6.2



6.89 There are several key points to consider with regard to PPPs:

- can the PPP process generate the capital required to provide the new facilities?
- can the cultural partners/local authority afford the unitary charge?
- can a partnership with the private sector bring management/funding/expertise benefits not available to the local authority/cultural partnership alone?
- would a wider package of facilities, including other local facilities, allow local needs to be addressed, such as improved management/operational performance or addressing problems such as lack of investment or repair & maintenance issues?

Case study: Hackney Technology and Learning Centre

The Hackney Technology and Learning Centre was the UK's first joint Heritage Lottery/PFI funded project. The Centre includes a new library and museum, plus Council offices and retail. Located in the Town Hall Square, the development plays a central role in Hackney's regeneration

Case study: Brighton Library

Brighton Library is a unique PFI project incorporating a new high-tech library which is cross-subsidised by a £45m city centre redevelopment.

ICT training facilities, exhibition space, the provision of books and bibliographical services are all included within the PFI contract, which was signed in October 2002.

Prudential borrowing

- 6.90 If a local authority is wholly or partly involved in developing cultural facilities there is an opportunity that capital funding could be raised through prudential borrowing rather than from the private sector.
- 6.91 Historically, the restrictions on local authority borrowing mean that they are often unable to fund all their priorities within the limits set by Central Government. As a result, authorities have had to look to alternative funding routes such as a PPP, as they cannot provide the necessary capital resources themselves.
- 6.92 The Local Government in Scotland Act, 2003 has given local authorities greater freedom to borrow money to fund capital investment.
- 6.93 Under the prudential borrowing system, credit approvals no longer exist and authorities can borrow as much money as they want, without government consent, provided that they can demonstrate that their planned borrowing is affordable in that the authority has sufficient resources to meet the revenue costs associated with the borrowing.

The prudential code

- 6.94 The code sets out a number of prudential indicators that should be calculated by authorities in order to demonstrate that their borrowing plans are affordable.
- 6.95 The following prudential indicators are key indicators of affordability:
- ratio of financing costs to net revenue stream
 - level of the Council Tax.
- 6.96 Other prudential indicators include:
- capital expenditure
 - adoption of the CIPFA treasury management codes
 - levels of external debt
 - prudence.
- 6.97 The code sets out the minimum prudential indicators required and authorities are encouraged to set their own additional indicators.
- 6.98 It is worth noting that Central Government has retained reserve powers, which it could use to restrict local authority borrowing in the event that this is deemed necessary. The circumstances in which these powers might be used are:
- where an individual authority's borrowing was not shown to be affordable through the prudential indicators
 - where borrowing by all authorities was so high that the overall national limit determined by the government would be breached unless borrowing of individual authorities was restricted.

6.99 However the government has emphasised that these are very much reserve powers that would not be used under normal circumstances. It is anticipated that lower borrowing at one authority may well offset higher borrowing at another, preventing the national limit being reached.

Cost of borrowing

6.100 Traditional wisdom has been that local authorities should theoretically be able to borrow more cheaply than private companies as they are considered lower risk by lenders. In addition, following the prudential borrowing route should result in a reduced level of bidding costs, compared to the PPP route. This is based on anticipated lower levels of legal and financial advisor involvement linked to funder due diligence.

Risk exposure

6.101 Prudential Borrowing provides the potential for risk to be managed by those best placed to manage it. Under a standard PPP project, the funder will ensure that all the project risks are allocated and managed, using insurances, financial provisions and risk pricing. The funder will also ensure that they have rights over the Special Purpose Vehicle (SPV) and the LA to step into the project and make changes that protects their annual debt servicing costs and the project's cashflows.

6.102 As such the funder will ensure, through a comprehensive due diligence exercise, that the operators and developers cost and income projections are valid, that the SPV can meet its contractual obligations and that risks are identified and managed.

6.103 With the LA providing the role of the funder, their forward risk profile will change. The primary alternative option with the LA providing this role of funder assumes a DBOM (Design, Build, Operate and Maintain) contract. However, an alternative route that the LA might also consider following while acting as funder involves separating the contract into a Design and Build Contract with hard facilities management (hard FM) and a management contract for the operation of the facility.

6.104 The key issue to raise when considering this splitting out of the DBOM model is the potential loss of synergies associated with both a design and operate contract where the operator is involved in the design of the leisure facility that they will be managing for the next 25 years.

6.105 The DBOM route maintains some of the key benefits of the PPP including:

- delivering synergies and reduced costs from an operating led design
- managing the risks through allocation to the private sector in accordance with the risk profile of a PPP, in particular construction cost overruns
- transferring the lifecycle cost and maintenance responsibilities to the consortium.

6.106 However, it should be recognised that the LA will need to be comfortable that the consortium warranties are robust, and should seek similar warranties to a funder.

6.107 If the contracts are separated then the LA will be exposed to some key risks:

- the operator is unlikely to take on any design or lifecycle risk. Whilst this could be minimised by having a Design and Build and Hard FM contract, because of the operation of culture it will be difficult to separate the areas and causes of failure between hard FM and soft FM with any certainty
- the loss of synergies gained from an operator led development will be significant. Even if no operator is appointed at an early stage, if they are not responsible for the whole life cost then the building contractor may seek to drive up the capital cost to gain the highest quality building and thus reduce their lifecycle costs at the expense of the operating contract.

6.108 The DBOM route would still provide the LA with the benefits of the PPP but deliver additional savings through the prudential borrowing route. Elmbridge Borough Council have recently reached financial close on a DBOM contract for a new leisure centre, which is due to open in 2007.

Management and delivery options

6.109 There are a number of options available for the management and delivery of cultural facilities in Scotland. These options include:

- in-house management by a local authority
- private management contractor (Voluntary Competitive Tendering or PPP)
- joint ventures/partnerships
- Non Profit Distributing Organisations (NPDOs) or trusts.

In-house management

6.110 Traditionally in-house management structures provide a local authority with the greatest control over its facilities with the greatest flexibility to implement changes in moving forward. However, there are some drawbacks to in-house management, including traditionally a lack of capital investment in facilities and flexibility to make swift business decisions to maximise the commercial benefits of the service.

6.111 In terms of any new cultural facilities required, many of them will need to be flexible in terms of the type and frequency of usage. For example, the expertise to manage infrequent, yet labour intensive large arts or cultural exhibitions is not normally a skill found in the public sector. These specialist operational skills are also not often directly available in public sector organisations.

6.112 In addition to the ongoing management issues, it is difficult for in-house management teams to raise significant capital finance and therefore the burden is likely to fall on the local authority/applicant partnership or central funds from the Scottish Executive.

Private management contractor (Voluntary Competitive Tendering VCT or PPP)

6.113 Public Private Partnerships were discussed earlier in this section. However, a key component of a PPP is the inclusion of specialist private sector management in the DBFO consortium.

6.114 VCT enables the local authority to offer a management contract to a private sector operator with a small amount of capital investment, normally over 5-15 years depending upon the capital to be invested.

6.115 The private sector operator is selected through a competitive tendering process on the basis of the best value for money bid received by the authority.

6.116 The key benefits of using a private sector operator are:

- experienced management with national expertise
- economies of scale available to a multi-site operator
- access to national best practice
- access to national branding/marketing resources, aimed at improving usage and generating income.
- potential to reduce the overall cost to the authority.

6.117 The traditional opposition to private management contractors has been based on their lack of local interest, their profit-led motive, the perceived lack of community involvement and the uncertainty around transferring staff from the in-house team.

Joint ventures (JV)/partnerships

6.118 A less formal joint venture/partnership arrangement may offer a better solution for the local authorities given the nature of some cultural facilities. Many of the principles described above will still be relevant, but the formal government support may not be in place. The types of arrangements that could be envisaged here include:

- a more traditional development/ partnership possibly utilising the release of surplus land in return for investment in a new facility
- a development package whereby the local authority provides the land and the private sector partner enter into some form of joint venture arrangement to provide the capital investment. The development at Glasgow Harbourside is an example of this kind of relationship
- the development of partners to act as anchor tenants in cultural facilities, creating financial stability through guaranteed usage and income. The partnership between Glasgow City Council and the BBC Scottish Symphony Orchestra at Glasgow City Halls is an example of this type of partnership

Case study: St Magnus Cathedral, Orkney

St Magnus Cathedral is one of Orkney's finest landmarks and dates back to the 12th century. The Cathedral is an example of a unique partnership between the local authority and the Church of Scotland - the Cathedral is owned by the authority, with the Church of Scotland acting as an anchor tenant.

This partnership arrangement provides an opportunity to meet both the cultural and religious need of the community. It hosts around 60 concerts per year and is home of St Magnus Festival. In addition, it acts as the community parish church for Kirkwall.

- a voluntary organisation is responsible for the day to day management of the facility whilst the local authority retains responsibility for the management and ownership of the asset.

6.119 The key discerning feature of these types of JV/private partnership arrangements relates to any capital financing. Rather than the investment being paid for over the term of a service contract, as in a PPP contract, these types of arrangements tend to involve upfront capital investments by the private sector.

6.120 There is also the potential to create partnerships for the operation of cultural facilities. Benefits of this type of partnership may include: a wider range of activities and events being organised, costs to be shared and the opportunity to utilise expertise from a variety of organisations. It may also broaden the range of funds the facility is eligible to apply for.

Case study: Duff House, Aberdeenshire

Duff House is a historic building and cultural arts centre operated by a partnership between Historic Scotland, National Galleries of Scotland and Aberdeenshire Council.

The partnership operates through a joint agreement, with the National Galleries providing the collection which is of national importance, Historic Scotland restoring and maintaining the building and Aberdeenshire Council managing and operating the facility.

NPDOs/trusts

- 6.121 A growing number of local authorities have utilised or are considering utilising Non Profit Distributing Organisations (NPDOs) to deliver services previously delivered by the local authority. Therefore, a significant part of this section considers the details of this route.
- 6.122 In order to provide an understanding of the key issues for consideration under a transfer to trust status a generic overview of the types of vehicle available has been provided, along with the potential advantages and disadvantages to a local authority.

Type

- 6.123 There are a number of types of Trust that can be established. The two main types that generally operate cultural type activities are either an Industrial Provident Society (IPS) or a Company Limited by Guarantee (CLG).
- 6.124 Both an IPS and CLG are Non-Profit Distributing Organisations (NPDO), more commonly known as Trusts, which means they can apply for charitable status. To do this, the Inland Revenue will need to consider the proposed activities of the body through its Financial Intermediaries Claims Office (FICO). They will need to be satisfied that the body exists to further one or more of the 'charitable aims' before it can be granted charitable status and therefore subject to various tax concessions.
- 6.125 Cultural organisations will be considered by the Inland Revenue under the 'charitable aims' heading of 'community benefit'. The organisation will need to demonstrate that the services it delivers are for the overall benefit of the community.

IPS

- 6.126 An IPS can be registered as a charity if they are established for the benefit of the community and demonstrate clear charitable aims and objectives. This allows employees to be members and become Trustees or members of the Board. They must also adhere to the following:
- act for the benefit of the community
 - open membership to all those who work for the society
 - allow all members an equal say in the running of the society
 - conduct business so as to mutually benefit all members
 - restrict interests paid to investors

- distribute any profits to members in a proportion to their involvement in the business of the society.

CLG

6.127 A CLG is a form of limited company where members agree to guarantee the debts of the Company if it fails, up to an agreed limit (usually a £1). The members have the protection of limited liability and the company has no shareholders.

6.128 The Board of the company will be elected by and take decisions on behalf of its members. A company limited by guarantee can undertake the following activities:

- own property
- borrow money
- employ staff
- make (but not distribute) profits for reinvestment into the company.

6.129 A CLG is easy to set up and often operates using third arm activities. Its structure is familiar to banks and other financial partners with which it may become involved and its actions are governed by the Companies Act 1985.

Financial implications of trust status

6.130 The key financial implications for a transfer to a trust (accepting charitable status) are as follows:

- all charities are eligible for mandatory rate relief (up to 80% of the NNDR on facilities)
- they may also be eligible for further rate relief at the discretion of the relevant rating authority
- under current financial regulations for NPDOs, some income from activities may be treated as exempt from VAT.

Advantages/disadvantages

6.131 6.130 Key advantages of transferring cultural facilities and services to a trust include:

- any profits are re-invested back into services
- as a smaller organisation the trust can be more flexible and responsive to customer needs and adopt a clear business focus on leisure related activity through the autonomy achieved by being detached from the LA
- benefit from the skills and expertise of its trustees
- if the LA has less than 20% interest in the trust then any capital investment in a trust will be free from the LA's capital controls
- the trust maybe eligible for funding from sources not available to the LA.

6.132 Key disadvantages of transferring to a trust include:

- the trust is likely to be dependant on grant aid from the LA or central funding resources
- uncertainty over the future of NNDR and the VAT position on leisure and cultural services
- the trust will incur stand alone infrastructure costs
- trustees may have other responsibilities and accountabilities
- availability of specialist skills and knowledge dependant upon the trustees and make up of the board
- capital investment maybe limited if the trust does not own the facilities
- potential for conflict between the trust and the LA, particularly on financial issues
- ability to borrow money externally will be restricted if the trust is reliant on annual renegotiation of grant.

NPDOs and VAT

6.133 If a Council decides to transfer some of its facilities into a trust there is the potential to generate financial savings from VAT, however, it is a complex area. Only certain aspects of income when the service is run in-house are VAT exempt (eg. educational classes, block booking use by schools and clubs), whereas for an NPDO, all general admissions are VAT exempt. In effect, this means that the majority of a cultural NPDO's activities are exempt from VAT. This price advantage of NPDOs compared to in house or private sector management can offer significant benefits, which the NPDO can use either to raise additional income or keep prices down.

6.134 However, an NPDO cannot claim back all the VAT on incurred expenditure, which will reduce some of the savings. A substantial proportion of the VAT incurred in delivering the services cannot be recovered by the NPDO due to the nature of the activities carried out by the NPDO. Thus, there is a balance of VAT benefit and additional VAT costs which must be calculated in order to gauge the overall impact of VAT treatment under NPDO operation

6.135 Further, if an NPDO or third party operator runs all the facilities and the Council grants a peppercorn lease, then the supply by the Council to the operator will be considered non-business. This means that any VAT incurred on capital expenditure remains fully recoverable and there will be no impact on the partial exemption calculation. By externalising the facilities to a third party operator under a peppercorn lease, the level of VAT incurred by the Council in respect of exempt activities will reduce.

Transactions between the Council and the NPDO

- 6.136 If a Council transfer the management of facilities from an in-house team to a NPDO, the Council will, most likely, grant the NPDO a lease or other licence to occupy the leisure centres and other facilities. These property transactions can have a significant VAT impact if not dealt with correctly. Supplies in relation to commercial land and property are normally VAT exempt (resulting in potential loss of VAT recovery on costs in relation to the supply made), unless the 'option to tax' is exercised or a peppercorn lease is granted.
- 6.137 Although VATable costs in setting up the arrangement may not be significant, considerable VAT could be incurred by the Council in the future in relation to the refurbishment, maintenance or extension of the facilities. This input tax would be seen as attributable to the property supply made to the NPDO. The Council will want to ensure that this VAT is recoverable.
- 6.138 A supply at a peppercorn by a local authority is considered by Customs to be a non-business supply, allowing VAT recovery on costs relating to the supply. An option to tax has the effect of making the supply taxable with resultant recovery of VAT on costs. Thus, both of these structures would allow the Council to safeguard any VAT which may be incurred on its costs.
- 6.139 If the Council decides to grant a peppercorn lease, care should be taken to ensure that there is a true peppercorn. This is because Customs will look at any other consideration (either monetary or non monetary) that may pass to the Council in addition to the peppercorn as breaking the VAT status of the arrangement, leaving it as a potentially VAT exempt supply. Therefore, if there is any doubt within the arrangement that other consideration passes to the Council (for example, in the form of conditional capital works being carried out by the NPDO, payment/part payment by the NPDO for works to be carried out by the Council, or certain free use by the Council of the facilities), then to protect VAT recovery it would be prudent for the Council to opt to tax the relevant sites.
- 6.140 The decision to opt to tax needs to be taken in the light of any potential capital costs relating to the leisure centres and other facilities which may be incurred by the Council (which could lead to the Council exceeding the 5% de minimis) and would also need to take into account the likely effect on the VAT recovery position of the NPDO as, if it is only entitled to 25% VAT recovery on its costs, the VAT charge on the lease becomes a cost component to the NPDO arrangement.
- 6.141 One other issue which will arise in granting a lease/ licence to the Trust is that of the Capital Goods Scheme (CGS). This requires the VAT originally incurred and claimed on new commercial buildings, extensions or refurbishments exceeding £250k in value to be monitored (and potentially adjusted) over a ten year period. The way that it operates for local authorities, means that an adjustment would only be required if the Council exceeded its 5% de minimis limit for other reasons in the same tax year that the change in use to its capital goods occurred.
- 6.142 In addition to the lease or licence to occupy the property, the Council is likely to receive annual funding from the Council in some form. If this is simply a grant then it will be outside the scope of VAT. However, if it can be shown to represent consideration for a standard rated supply by the NPDO of undertaking to operate the facilities under the terms of a contract with the Council, this will provide the NPDO with increased taxable income and therefore a higher level of VAT recovery on its purchases.

6.143 Customs have agreed that any standard rated charges made in this way by a Trust, whilst being subject to VAT, are not attributable to any lease or licence to occupy granted by the local authority and will therefore be recoverable by the Council as non-business VAT. It should be noted, that the VAT liability of charges for dual use facilities is currently being reviewed by Customs Headquarters.

6.144 There are two further points to bear in mind on this subject:

- Firstly, where any monies paid by the Council to the NPDO are directly linked to prices charged to users, such payments may represent third party consideration for use of the facilities. In this case, the consideration will be either taxable or exempt (dependant on the VAT liability of the supply to the user of the facilities). Any VAT charged will not be recoverable by the Council
- Secondly, if the NPDO is a registered charity, it may not be allowed under its charitable objectives to manage what is in effect a business on behalf of someone else and therefore will not be able to make a standard rated charge to the Council. In these circumstances funding from EDDC would be outside the scope of VAT.

VAT Liability of supplies made by the NPDO to the Public

6.145 The VAT liability of the cultural services being provided by the NPDO will be different from the liability of the same services when provided by the Council as principal. An NPDO may VAT exempt many of its charges for the provision of leisure and cultural facilities, provided that it can satisfy certain conditions laid down by Customs. These conditions generally relate to the status of the NPDO, as follows:

- that it cannot distribute any profit it makes otherwise than to another non-profit making body or its own members on winding up or dissolution;
- that any profits it makes from the exempt supplies are applied to maintain or improve the facilities made available in connection with those supplies or for the purposes of a non-profit making body; and
- it is not subject to commercial influence, that is it is not involved in any transactions that could be construed as ‘hiving up’ profits to ultimate owners (associated persons) or paying for services at above market rates etc.

6.146 These conditions have been tightened by Customs so that the VAT exemption is only allowable to what they would view as truly not for profit organisations or charities. This issue will need to be reviewed closely to ensure that the exemption applies. The benefit of exemption is that prices can be maintained at previous levels whilst little or no VAT has to be accounted for on the income of the NPDO. There is however a corresponding disallowance of VAT recovery on costs for the NPDO in this scenario.

6.147 A private contractor, being a normal trading company will not qualify for the VAT exemption outlined above. Therefore, its supplies are likely to be mainly standard rated (except for any long series of lets to schools, clubs and associations). This will result in VAT being chargeable on most entry fees to the facilities, but will allow input tax recovery on costs by the contractor.

6.148 In the case of pocket trusts, it is our experience that these hybrids do not qualify for the VAT exemption as there is still an element of “commercial influence” which breaks the conditions imposed by Customs.

- 6.149 There will be additional issues to consider if either an NPDO or a private contractor takes over the management of facilities on behalf of the Council and acts as principal in providing free entrance to the public.
- 6.150 Where the Council makes non-business supplies, it is uniquely allowed as a local authority to recover all of the VAT that it incurs in making a non-business supply. Whereas, under the VAT rules applicable to an NPDO or private contractor, VAT is only recoverable on costs that relate to a taxable business supply. Any supply, such as providing entrance to a facility for free, which is deemed to be a non-business supply will result in the VAT incurred in making that supply being irrecoverable.

Experience of NPDO operation

- 6.151 Local authority experiences of trusts in the UK have generally been positive, with successive grants from the LA being reduced and surpluses generated enabling reinvestment in facilities and services. However, there have been some occurrences of LA grants to NPDOs having to be increased due to increasing running costs and/or lower income whilst under NPDO management. These have mainly been in respect of long established single centre-based trusts and not the more recently established leisure based trusts. It is unrealistic for a LA to expect an NPDO to make savings and invest capital without some support from the LA, in particular in the early stages of the contract.

Case Study: Glasgow Cultural Enterprises

Glasgow Cultural Enterprises is a not for profit vehicle that manages and operates and Royal Concert Hall in Glasgow. This development following the successes of Glasgow being European City of Culture. The organisation has a range of commercial and public sponsors and has an internationally acclaimed programme and highest calibre of management.

The opportunities to expand the role have been taken with Glasgow Cultural Enterprises being at the forefront of the Glasgow City Halls and Fruit Market development. This is a three way partnership between Glasgow City Council, BBC Scotland and Glasgow Cultural Enterprises to deliver a £10 million+ refurbishment of Glasgow City Halls concert venue, a new home for the Scottish Symphony Orchestra, a new home for Scottish Music Library, and a web-based music training programme for schools music in Scotland. Glasgow Cultural Enterprises will manage the facility in a public/public partnership.

Packaging of facilities

6.152 Grouping or packaging the delivery of cultural facilities has the potential to generate the following benefits:

- improved efficiency through the sharing of best practice, minimising the duplication of processes and rationalisation of services/facilities
- improved financial performance through generating economies of scale
- the provision of a broader, more co-ordinated range of services
- value for money
- sustainability.

6.153 There are a variety of ways cultural facilities could be packaged. These include:

- geographically
- by facility type
- combining with other services.

Geographically

6.154 Depending on the type of facility, groupings could occur at the community, town/city, regional or national level.

6.155 For community facilities, a Development Trust provides one method of packaging and delivering cultural (and potentially other) facilities. Development Trusts are community run organisations that:

- aim to achieve sustainable regeneration of a community and are therefore concerned with the economic, social, environmental and cultural needs of their community
- are independent but seek to work in partnership with other public and private sector organisations
- are owned and managed by the local community
- aim to generate income through trading activity that enables them to move away from dependency on grant support; all trading surpluses are reinvested in the organisation or community.

6.156 Examples of existing Development Trusts used for delivering culture include the Paisley Development Trust, which aims to preserve and re-use redundant buildings to deliver arts and culture based projects, and Glenkens Community & Arts Trust, which aims to deliver high quality community and arts events.

- 6.157 In larger or more urban areas there is the potential to develop town or city-wide trusts for cultural facilities. This could lead to a more co-ordinated approach to service delivery and grant funding and a reduction in administration and support costs through economies of scale, for example by producing joint marketing collateral. There may also be the opportunity to broaden the range of activities and services available once existing services have been consolidated.
- 6.158 In 2003, it was announced that Historic Scotland would fund the establishment of City Heritage Trusts in Aberdeen, Dundee, Stirling and Inverness, with the recommendation that these trusts are established in all Scottish cities. The trusts will offer grants for the repair and maintenance of historic buildings. There is the potential to evaluate the success of these trusts and explore the possibility of expanding them to include other cultural facilities and/or to take a more operational role for delivering heritage and culture.
- 6.159 Facilities of regional or national significance packaged together may generate advantages as described above but could also benefit from the co-ordination of marketing and pricing plans aimed at maximising the tourist market. Tourism is a lucrative form of both primary and secondary spend and is essential to ensure the ongoing viability of these types of facilities.

Facility type

- 6.160 Packaging together sport and leisure facilities has become an established method of generating efficiencies and achieving best value, however this process is less common with other cultural activities. 'Packaging' may involve having the same company or trust operating and managing multiple facilities, this is common with commercial/ private operators, or a more informal relationship between facilities via membership of associations or forums.
- 6.161 The benefits packaging a group of similar facilities could include:
- **economies of scale** - cost savings can be generated, for example, by negotiating group discounts for services such as printing, cleaning, payroll, etc as well through bulk buying of equipment and materials
 - **shared costs** – many facilities will have duplicate costs, this may include senior management staff, support service costs, advertising, marketing, etc
 - **skills transfer and capacity building** – working with facilities of a similar type will allow staff to share skills and build their knowledge, for example one facility may have a strong marketing team, whereas another may have an efficient ticketing process
 - **complimentary not competing** – facilities will be able to work together to develop over-arching strategies that focus on each facilities' strengths and specialisations, this enables a co-ordinated cultural programme to be delivered to the community whilst maximising revenue as facilities will not be competing against each other for the same market
 - **co-ordinated marketing strategies** - facilities can undertake joint marketing campaigns such as mailshots, leaflets and adverts, this increase the awareness of existing users and reduces the costs of attracting new users.

Case Study: Ambassador Theatre Group (ATG)

ATG is a commercial theatre operating company with a unique twin strategy of being a top theatre producer as well as a top theatre owner. The vision behind this alliance was to bring a significant and positive change to the quality of theatre in the UK. 10 years and over 100 million tickets later, ATG has brought this vision to life.

Co-founded by Howard Panter and Rosemary Squire, ATG has grown from just one theatre in the West End - the Duke of York's - and one in the regions - The Ambassadors Woking - to become the UK's second largest theatre-owning and operating company in the West End and also in the regions, with a total of 19 venues under its management, including 10 in the West End of London and the King's Theatre in Glasgow.

Case Study: Scottish Museum and Heritage Forums

There are currently eight active museum forums in Scotland. They each differ slightly in their aims but generally bring local museums, and in some cases, other heritage organisations, together to benefit from:

- regular exchange of information, ideas and expertise
- liaison between the local authority and independent organisations
- joint promotion and marketing
- joint training activities and capacity building
- joint projects, events and exhibitions
- bulk purchasing
- sharing of IT resources.

Joint services and multi-use facilities

- 6.162 Through the strategic review and LA workshops a key theme to emerge was the importance of utilising facilities for a variety of purposes. This is particularly relevant in rural areas where it is difficult to resource purpose built facilities around a diverse population base. LAs have to juggle this with the need to provide opportunities for cultural experiences for these people.
- 6.163 The debate is also relevant in more urban contexts with the need to ensure that resources are utilised to maximum effect. Partnership development through the community planning process can be an important driver here.

Schools and culture

- 6.164 Whilst there are alternative options for the shared use of facilities there is particularly significant potential to maximise the use of school facilities for wider cultural provision. There are examples of this cited within best practice and schools are widely recognised for the important role they can play at the heart of the community.
- 6.165 This links to the Integrated Community Schools initiative, which aims to provide a more co-ordinated and holistic approach to the education of young people and their families. This will be achieved through an increased partnership of different agencies and through closer involvement with local communities. The programme seeks to:
- improve achievement & attainment
 - reduce social exclusion and provide opportunities for all
 - improve support for children, families and communities
 - improve health.
- 6.166 It is an ambitious agenda, but one which has been addressed by the various pilot schemes which have been in operation across Scotland over recent years.

Case Study: Community School of Auchterarder

Perth and Kinross Council has developed a fully integrated Community School that meets the educational, sporting, leisure and cultural needs of the community. It was built on the existing school site.

This project has received acclaim both in terms of architecture and appropriate provision of educational life long learning and community facilities. The building is of very high quality design and construction to match the educational, learning and leisure aspirations of the Council.

Facilities on site are available for use by the school and the community during the day, evenings and weekends.

A Community Integration Co-ordinator has been appointed to the cluster to take forward the initiative, and, more recently, a Community Link Worker has been appointed to work specifically on providing additional support to children and families.

In order to oversee this process, a Strategic Steering Group has been formed at a local level, comprising of representatives of the various parties who have a stake in the project.

6.167 The National Priorities in Education are an integral part of the School Improvement Framework set out under the Standards in Scotland's Schools Act 2000. They outline the Government's key commitments to raising standards in Scotland's schools, as well as the continued promotion of social inclusion, and define the outcomes that education authorities and schools aim to deliver for young people in Scotland. The National Priorities are defined under the following headings:

- Achievement and Attainment
- Framework for Learning
- Inclusion and Equality
- Values and Citizenship
- Learning for Life.

6.168 The National Priorities Action Fund (NPAF) replaced the Excellence Fund for Schools in April 2002 and was established to enable the continued support of the Government's commitment to improving schools. The Action Fund is intended to be flexible, giving local authorities the scope to use money where it will be of most benefit locally. Culture can make a significant contribution to the National Priorities and thus funding from the NPAF may be used to support cultural activities in education.

6.169 The Scottish Arts Council has produced a five year strategy 'Arts Education - A Lifelong Learning Strategy, 2004-2009' which sets out their aims for supporting the development of arts and education. The strategy forms an essential part of the commitment to championing and nurturing the arts in Scotland.

6.170 The strategy recognises the importance of demonstrating how the arts, culture and creativity can benefit young people and the need to provide practical advice for local authorities and schools on the importance of cultural activity to life and work. Two initiatives that have already been developed to support arts development in schools are Cultural Co-ordinators in Scottish Schools and the Cultural Links Programme.

Cultural Co-ordinators in Scottish Schools

6.171 Initially a two-year pilot project, which has now been extended for a further two years, has seen all but one of the 32 local authorities employ Cultural Co-ordinators. In the pilot stage, 105 co-ordinators will be working on facilitating arts and cultural heritage visits, events, and workshops for their local schools.

6.172 Working closely with schools and Creative Links Officers, Cultural Co-ordinators identify ways of maximising the potential contribution of cultural activities to young people's education. They facilitate a range of activities which might include visits by artists; trips to museums, galleries and performing arts venues; visits by companies and opportunities for children to create and perform.

6.173 Funding from the SAC of £9,000 per post is available over two years to employ up to eight Cultural Co-ordinators (depending on the size of the local authority).

Creative Links Programme

- 6.174 This is a key area of work for the Scottish Arts Council Education programme. A network of nine arts education co-ordinators throughout Scotland has been established. Creative Links posts access local, national and international professional arts resources to augment arts experiences for children and young people in their area.
- 6.175 Recently, additional funding has been agreed to extend the network to each of the 32 local authority education departments by 2007. Creative links officers are normally placed at Advisor level within the local authority education department. The current posts have made a noticeable difference to the profile and practice of arts in education in their areas. Through the creation of a myriad of arts opportunities there are a remarkable variety of projects on the go, including partnerships with artists, arts organisations and other cultural providers across all art forms.
- 6.176 They have also brought additional funding to the arts within their education authorities, which amounts to every £1 returning £400 on the Scottish Arts Council's initial investment.

Libraries and culture

- 6.177 Libraries have been key to the cultural life of local communities since the 19th century and many are historic buildings. Unfortunately, libraries are reported to be in crisis, with lendings on a downward trend. However, as highlighted in Section 5, libraries that diversify and adapt to new trends can increase usage by offering additional services to the community such as internet access.
- 6.178 It should be noted this contradicts the findings on library. A lack of investment has contributed to neglect and more recent redefinition of the role of the library has left many no longer attractive or fit for purpose.
- 6.179 As local authorities recognise the need to become more customer-focused, the concept of local service centres has gathered momentum. Efficiency gains from the separation of back and front office functions mean front-line services are looking to combine their customer interface points. Many local authorities are exploring the establishment of joint service centres, with libraries as one obvious possibility for co-location.
- 6.180 Other strategies to encourage increased library usage have been to combine libraries with other services. Aberdeenshire has integrated school and community library services, the first LA to do this, and it has proved very successful.

Case Study: Pollock Library, Glasgow

The Pollock Library was relocated from its Peat Road premises in 1999 to occupy space within the existing Leisure Centre in the area. This was the first integrated cultural and leisure facility that Glasgow City Council created and since its opening they have witnessed a 60% increase in usage. As a result the Council has opened further integrated facilities.

- 6.181 In recognition of the central role libraries perform in an information-rich culture, some LAs have invested in major new libraries infrastructure. Using government PFI credit approval and PPP finance, such LAs as Brighton, Bournemouth and Hackney have created innovative projects incorporating libraries into information centres, able to satisfy the requirements of the 21st century.
- 6.182 On a smaller scale, LAs such as Newham, Brent and Croydon in London have used regeneration finance to build new libraries in town centres and, in the case of Newham, in a new residential area, combining library services with other cultural uses, including performance spaces, cinemas, youth clubs, cafes and advice centres.

Case Study: Croydon Clocktower Complex, London

Croydon Clocktower Complex combines a public library with an arts and cultural centre. The Central Library is the single largest element within the complex, which also houses a small arts cinema, permanent and temporary galleries, town museum, multipurpose venue, arts workshops and a café. Retail has provided the inspiration in terms of the aim to create a 'cultural mall' offering a variety of facilities and activities, and in terms of internal design. The co-location of the individual cultural elements has:

- created a bona fide destination from elements that may not have in isolation been able to attract significant usage levels or become a focal point for the community
- allowed the development of joint projects, for example temporary exhibitions developed by the Local Studies and Archives Centre and the museum; and
- made viable the creation of shared ancillary facilities such as a crèche.

- 6.183 The supply side of library provision has recently been under attack for inefficiency and unnecessary bureaucracy. In response, improvements to bibliographic services and a widening of the consortia arrangements for book and leisure materials purchasing is now beginning to take place, and this is an area for considerable further development.

Other joint services

- 6.184 In order to ensure the long term viability of a high standard of cultural delivery in Scotland, opportunities to rationalise the number of facilities and consolidate cultural activities, potential with other community services, into one (ideally) purpose-built venue should be investigated. This will generate the following benefits:
- efficient, flexible buildings that mean current cultural needs but can also be adapted to meet future cultural trends and developments
 - significantly reduced running costs and the amalgamation of existing funding should reduce any funding gaps and potentially generate savings that can be re-invested directly into cultural activities and outreach services rather than into the operation of buildings
 - greater critical mass resulting in increased footfall (and thus income) and raising awareness of all services provided

- allows for the development of co-ordinated transport plan to improve access to culture
- land from facilities that are closed may generate capital receipts that can be ring-fenced to invest in new cultural facilities
- a co-ordinated marketing strategy can significantly reduce costs and improve attendance and participation levels
- reduced costs for sharing of services and staff such as reception, ticket office, toilets, etc.

Case Study: South Lanarkshire Lifestyle

South Lanarkshire Lifestyle is a new build integrated facility in an area of significant deprivation. It comprises a 25m pool, health & fitness facility, 6 outdoor Astroturf courts, an adult day care centre and an ICT suite. Funding for the £7m facility has come from six funding partners including South Lanarkshire LA, Better Neighbourhood Services Fund, Social Inclusion Partnership, Greater Glasgow Health Board, sportscotland and the New Opportunities for PE and Sport initiative (which contributed approximately £760,000). The NOPES contribution has specifically funded the six floodlit, multi-purpose, astroturf courts and a hydraulically operated moveable floor in the swimming pool.

The new facility is based on land adjacent to Trinity High School in Cambuslang, and is designed to meet an identified gap in school and community facilities in the area. It will replace existing dilapidated facilities at Rutherglen Pool and two other day-care and community facilities. The facility opened in May 2004

International examples of cultural delivery vehicles

6.185 In much of Europe, cultural institutions have traditionally operated as departmental bodies, existing as integral parts of ministries of culture. The growing practice has been to untie these institutions from the public administration. Recent examples include:

- The Netherlands, which transferred all its state owned museums from departmental bodies into newly created independent foundations between 1989 and 1996; the first step was modernisation of financial regulations, which permitted the retention of financial surpluses; personnel costs were then transferred from the Ministry's personnel budget to those of museums and so the staff ceased to be civil servants: finally, museums began paying rent for their buildings; the boards of these foundations function independently of the ministry, consisting of people drawn from public life
- Hamburg, where the state museums were also turned into foundations in 1998; the new arrangements are very much a halfway house in terms of governance, with boards of management kept very close to the state; the minister holds the chair and other officials and politicians constitute the board and staff continue to be employed on public sector contracts
- a group of public institutions in Hungary, which have been turned into non-profit companies; these include the Helikon Castle Museum. The staff ceased to be public employees and so the institutions determine pay and conditions of work; surpluses can be retained and sponsorship has become easier and the board of the company is used to broaden the basis for advice and support available to the organisation.

Modernised financial regulations

6.186 A major purpose of these changes is to extricate institutions from the constraints of dated public financial regulation by adopting a more "commercial" style of financial management, including setting a positive context for "secondary" trading. The drawbacks of "cameralist" financing are well known, with limited provision for virement and no carry over of surpluses. Giving institutions effective control over personnel numbers, remuneration and conditions at work is another advantage. Generally, the buildings and collections remain in possession of the state. In Hamburg they have been "rented" to the new foundations, rather than "entrusted", as is the UK practice.

German approach

6.187 The general approach in Germany has been to address the modernisation of management and budgetary regulation, without changing governance arrangements or the legal format for institutions. In Lower Saxony, for example, the state is conducting a successful pilot in transforming the Brunswick State Theatre from a Regiebetrieb to a Landesbetrieb. This means that the theatre now receives a single lump sum grant and with this goes full control over the personnel budget (whereas previously the state authorities could block new appointments and other changes), as well as the authorities' roll forward financial surpluses and deficits. It is planned to extend this change to the state museums.

Civic partnership

6.188 Other countries in Europe have been willing to go further and share the governance of institutions within a wider civic partnership, entrusting authority to independent boards. There are broad socio-political reasons for wanting to go in this direction, as well as a practical understanding that this will increase the ability of institutions to lever private support. As long as institutions are seen as the exclusive responsibility of the state (whether modernised or not in their management practices) a broader partnership to achieve increased resourcing will present difficulties.

Professional independence

6.189 In Finland private forms of organisation are already in place, including a voluntary association, a limited liability company and a foundation. A particular reason for using “private” forms is to break the professional dependency of institutions on the state. Independent boards of governance place distance between public authorities and the institutions. The Finns argue this is the most effective way to ensure that institutions regard their principal responsibility as being to their public and to the exercise of their own professional judgement and initiative, rather than to the Ministry.

Partnership

6.190 There is little experience of public private (commercial) partnerships in Europe, such experiments are largely confined to the UK but are attracting growing interest. Partnerships that spread the risk, and ones which access specialist skills, seem to have been reasonably successful; partnerships that “share the equity” have proved more problematic.

Benefits

6.191 The general conclusion is that the changes identified above are regarded as a positive development. Benefits include:

- strengthened institutions (untying can be a great morale boost)
- improved value for money through more effective utilisation of resources and leveraging extra funding from secondary trading and private sources
- a strengthened base of support (by linkages to non-governmental stakeholders and firmer rooting in civic society).

6.192 These developments also help to clarify the role of public policy and public administration, enabling a clearer focus on strategic purpose.

Risks

6.193 Certain risks should also be noted. These include:

- over-expectations (by public authorities) in relation to private funding prospects and cost adjustments
- the loss of public interest focus in a mixed economy context
- the difficulty of achieving compliance with public policy objectives in a non-intrusive way.

Summary

- 6.194 As highlighted in this section, there is a large range of funding sources available to support Culture in Scotland. However, all have different application procedures and timeframes and this can create difficulties for cultural organisations when trying to develop long-term plans and over-arching strategies.
- 6.195 Simplifying the funding application process and would reduce barriers to entry and ensure a more efficient distribution of funds to culture. A national “Cultural Fund”, potentially with corporate sponsorship, amalgamating existing funding sources is one method of simplifying the process. This would provide a more transparent funding process, produce savings on administration costs and reduce the costs incurred from organisations having to prepare multiple bids for different funding awards. Due to the size of the fund this could provide longer term funding streams. However, there would need to be negotiations with all existing funders on how their key criteria for funding could still be satisfied if they channelled their grants through a central fund. One solution would be to develop partner arrangements for different outputs and different cultural sectors.
- 6.196 There are a diverse range of projects and programmes that can be considered to fall under the heading of ‘culture’. Therefore, it is unlikely that one delivery solution will be applicable to all cultural developments. The following questions will need to be answered in order to find an optimal solution:
- what is needed and why?
 - how will it be financed?
 - what are the management arrangements?
- 6.197 There are opportunities for the fund to have a series of commercial and foundation based partners that could have matched finance from the Executive. There are significant corporate advantages for companies to become involved in the fund which should have a high profile in Scotland and beyond.
- 6.198 Further discussions would be required on the extent and breadth of such a fund and how it would link in to the other primary initiatives around:
- grant structures
 - use of prudential borrowing opportunities
 - procurement approaches and new operational management regimes.
- 6.199 We would welcome the opportunity of discussing these with the Commission and the Executive to develop these proposals further.

Conclusions and recommendations

Objectives

- 7.1 This report aims to address two key areas in the current and future provision of cultural services in Scotland:
- to identify the physical resources for culture, making an assessment of what needs to be provided to inform investment strategies for repair and new build to support the provision of culture by local authorities in Scotland
 - to examine the scope of benchmarking and standards across culture in order to advise the Cultural Commission on best practice and standards of provision to assist self evaluation, improvement planning and consistency in the range of provision made by local authorities within their leisure and cultural remits.
- 7.2 Whilst it is acknowledged that the objective of this study regarding provision is to assess the provision and physical condition of facilities, it should be noted that the role of development work is critical to delivering cultural rights, particularly within rural areas where facilities are more dispersed. Facilities alone are not enough and consequently investment decisions for cultural services need to take account of cultural development, programming and service delivery.

What are the strategic priorities for culture in Scotland?

- 7.3 The current strategic thrust for culture in Scotland is driven by the First Minister's St Andrew Day's speech in 2003. This set a new direction for cultural policy by placing culture at the heart of government, recognising that culture offers more than its intrinsic value and can make a difference across many cross cutting areas, including helping to tackle poverty, ensure Scotland is a healthier place and make a significant contribution to make towards the economy.
- 7.4 The Cultural Commission has indicated that the current direction of their thinking is towards the establishment of rights and entitlements to culture for Scottish citizens. The strategic priorities of the key stakeholders at a national and local level will be key to shaping these rights and entitlements.
- 7.5 A key element in making this a reality is the development of sustainable partnerships which help to maximise resources for culture and ensure that the principles of best value in delivery are met. The development of partnerships is something that is particularly significant at a local level and is currently being strengthened by the community planning process. It is important that culture becomes a key part of this framework as local authorities are acknowledging that, as this process matures, it is probably the most effective way of operationalising rights and entitlements at a local level.
- 7.6 Themes that are consistent at both the national and local level, and which can help to shape the cultural rights and entitlements of Scottish citizens, include:
- **widening access** – the fundamental right for all citizens in Scotland regardless of age, ethnicity or social status to have access to culture
 - **education and lifelong learning** – recognising the ability of culture to contribute to both formal and informal learning and the integral role of the school at the heart of the community

- **children and young people** – ensuring that culture is an accessible part of everyday life for young people in Scotland.

7.7 Alongside these objectives, there is a recognition that change is required in the way that culture is delivered in order to meet the needs and aspirations of citizens in Scotland. Key themes identified include the role of ICT in making culture more accessible, the need for improved governance in the sector and for the development of quality standards to ensure best value in cultural provision.

7.8 At a national level, the view has been expressed by the Scottish Executive, Scottish Arts Council and Scottish Museums Council of the need to coordinate support for cultural provision and ensure that organisations are working together to maximise the potential benefits of culture in society. The potential establishment of a national framework/strategic agency to represent culture at a national level is an option that should be explored further.

Local Cultural Strategies

7.9 Local Cultural Strategies are useful frameworks for local authorities to follow in assessing the need for cultural provision and developing plans for achieving, and indeed exceeding, these requirements. Community planning is now recognised as a key strategic planning process and the new cultural agenda requires an integrated response from local authorities embracing all council services from education and social work, through housing, transport and economic development to planning and the cultural and leisure services.

7.10 COSLA and VOCAL have made a strong case for Local Cultural Strategies to be mandatory and sit within the Community Planning Framework and we support this recommendation.

Performance standards for cultural provision

7.11 Performance measurement is recognised as an increasingly important part of the management of public services. Through the analysis in Section 4 it is clear that measuring the performance of cultural services and facilities is a challenging area and that at present, whilst the importance is recognised, there is little consensus across the UK.

7.12 Fundamentally, there is a need to agree what the intended outcomes of a performance measurement framework are and to understand the subtle differences between measuring the performance of a cultural services department and measuring the performance of individual facilities.

7.13 In Scotland at present there are only a limited number of measures from which to benchmark cultural provision at a national level. Feedback from local authorities indicates that these statutory measures from Audit Scotland are too general and there is a need to provide measures that can offer meaningful feedback regarding the quality of service output.

7.14 It is important to acknowledge that there is a danger in over reliance on quantitative measures of performance and there will always be a need to place statistics into a qualitative context.

- 7.15 It is recommended that a multi agency working party is formed including key stakeholders such as VOCAL, the Arts Council, Museums Council, Libraries and Information Council and others to help shape the detail of what is required from a quality assurance framework for cultural services and individual facilities. In developing this framework, key parameters to consider include:
- **ensuring that measures are comparing like for like** – analysis of current levels of cultural provision in Section 5 indicates the significant differences in operating profile between and within facility types, the scale of facility being a key determinant. Measures that allow meaningful comparison include per visitor, per square metre or ‘as a percentage’ of ratios. Specific examples include:
 - income per visitor
 - income per square metre
 - expenditure as a percentage of income
 - subsidy per visit
 - staff costs as percentage of income.
 - **national standards vs local priorities** – consultation has indicated that there is a need to balance national standards for benchmarking with the measurement of local priorities. This is supported through the analysis, which highlights that at a local authority level the particular facility mix (geography and type) and strategic priorities will have a significant influence.
 - **the number of PIs to collect** – there is also a need to achieve a balance between a group of PIs that is both sufficiently comprehensive but also remains manageable in order not to divert resources unduly. The group approach is required in order to understand fully the performance of the service/facility. This should be supported by clearly communicated benefits of the rationale behind collecting this information, as there is a danger of apathy in the collection of more management information.
- 7.16 There is a strong consensus that whatever framework is put into place the method of evaluation should be self assessment. This follows current quality management frameworks such as QMIE and VOCAL’s draft model.
- 7.17 The VOCAL draft model warrants further development as a quality assurance framework that focuses on the strategic approach to culture deployed by Councils. This will be achieved most effectively through a working group of key stakeholders. An important element of this will be to ensure that the similarities with England's Towards an Excellent Service (TAES), developed for the same reason to show how cultural services can measure their performance, are maximised.
- 7.18 However, as noted in our workshops and consultation, it is also important to consider the front end of a Council’s delivery of culture through individual facilities. It is, therefore, recommended that further work be undertaken to examine the potential of Quest to be transferred from the sport and leisure sector into the broader cultural environment. Quest is sports focused, covering facilities and sports development, and thus compliments a service-wide quality management process. Feedback to date indicates that this has considerable potential and would be welcomed in the sector.

Current levels and condition of cultural provision in Scotland

What we know already

- 7.19 Despite the acknowledged gaps, the analysis of cultural provision in Section 5 has provided some useful findings that it is hoped can be verified through a more comprehensive audit. These findings include:

Current levels of cultural provision

- a significant amount of cultural provision falls outside the direct operation of local authorities. This provision plays an important role in delivering cultural activities across Scotland
- there is a need further to understand the role and operational issues of nationally significant cultural facilities and services and how they can become more accessible to all citizens
- at this stage the need for major new facilities has not been identified. The priorities for provision include the need to tackle rural issues, to provide more community focused services and to promote the potential for shared use of facilities.

Current condition of cultural provision

- there is a perception within VOCAL that the findings from the *Ticking Time Bomb* report regarding the condition of swimming pools in Scotland is likely to be replicated for wider cultural facilities. In addition, 49% of facilities recorded in the survey are not compliant with DDA and the low spend on repairs and maintenance is considered by many as more likely to reflect pressures on local authority budgets and an underinvestment in maintenance in general as opposed to the actual maintenance requirements for these facilities.
- Asset Management Planning tends to focus on non-cultural assets and there is a need to ensure that cultural stock forms a comprehensive part of this analysis
- few authorities have carried out Alternative Use Valuations to assist in establishing potential value that may be released through elements of the portfolio, if appropriate. The implication is that more could be done within many authorities proactively to identify residual value that may exist within the cultural portfolio, which could potentially be released to more effectively meet other cultural or wider corporate objectives. This will relate particularly to those assets that are underperforming or do not meet identified needs.

Operational and financial analysis

- average attendance at libraries and arts centres has increased over the past three years, whereas museums have witnessed decreasing attendance
- it is clear that a high percentage of all cultural facilities require a significant level of subsidy in order to ensure their continued operation. The average subsidy level for museums is over £150,000 per museum per annum and for theatres this figure is over £300,000. This has a significant impact on the long term sustainability of these facilities and the need to examine alternative operational models and income streams

- there is significant variation in the operational profile within as well as between facility types, affected by seasonality, scale of facility, geography, varied staffing profiles and income streams. Hence, in developing performance measures it is important to examine measures that allow an accurate basis for comparison.
- the need to build workforce capacity to ensure the highest standards of provision is acknowledged. This is balanced against a reliance on volunteers and staffing expenditure profiles which exceed income levels for most facility types.

The need for a comprehensive audit

7.20 As noted, response to the quantitative audit of provision was not as comprehensive as originally hoped. Consequently there are limitations in the level of data that can be analysed in any detail and it has proved difficult to provide an accurate assessment of need in the provision of cultural facilities.

7.21 It is therefore the key recommendation of this report that the comprehensive audit of all cultural facilities by all providers is undertaken. The existing database utilised for the audit was designed with a wider functionality in mind with the value of this being to:

- **provide an accurate picture of the current levels of provision** – analysis has shown that there are many operators of cultural facilities in Scotland in addition to local authorities. These facilities should be included as they form an important role in meeting the needs of Scottish citizens and will be key to shaping strategic decisions on partnership, rationalisation and the joint use of facilities in the future.
- **provide an accurate picture of the current condition of cultural provision** – current evidence identifies issues regarding compliance with the DDA supported by the perception that the *Ticking Time Bomb* report into the condition of Scotland's swimming pool stock is replicated for cultural facilities. More evidence is needed to help identify quanta and particular issues, both geographically and by facility type. These data will then be able to inform detailed investment strategies for the future provision of culture on a national and local scale.
- **enable detailed thematic mapping of provision** – presenting both levels and condition of facilities against thematic maps highlighting demographic characteristic such as population density or deprivation can prove valuable in making strategic decisions on the provision of cultural services. It is envisaged that such maps will be important on a regional or local level and will enable local authorities to work together to address cross border opportunities and issues.
- **provide accurate data regarding operational and financial performance** – these data can then be utilised in establishing a set of national standards for both local authority service provision and individual facility operation. In addition, these data will enable the accurate baselines to be set to form the basis on an ongoing performance measurement model (linked to recommendations regarding performance standards). Such standards will then help to shape strategic decision making for culture continually over the short, medium and long term.

Funding and delivery options

Funding

- 7.22 Section 6 highlighted the large range of funding sources available to support culture in Scotland. However, these sources all have different application procedures and timeframes which can create difficulties for cultural organisations when looking to develop long term plans and strategies.
- 7.23 A national ‘Cultural Fund’, potentially including sponsorship, and amalgamating existing funding sources, could simplify application procedures, provide a more transparent funding process, and produce savings on administration costs and costs incurred in preparing bids to multiple organisations. The size of the fund would help to provide longer term funding streams and will enable all funding to be distributed on the basis of agreed strategic priorities for culture. Achieving this would require negotiations with the various funders to understand how their criteria can be met through such a central fund.

Management and delivery options

- 7.24 Various management and delivery options were examined for culture in Scotland. Important principles and best practice examples have highlighted the importance of packaging facilities by geography and facility type, or through the particular example of utilising school facilities. The role of schools at the heart of the community is a significant one in being able address issues regarding rural cultural provision whilst helping to ensure best value in provision of cultural services.

Investment strategies

- 7.23 The extent of investment required in the cultural infrastructure requires the full audit to be undertaken and a more comprehensive response to the initial questionnaires. However, it is clear that significant millions of pounds will be required to upgrade and improve the existing infrastructure as well as providing new facilities. The cultural fund proposal can assist in this financing. We believe a cultural investment strategy for each authority will be required using approaches and techniques proposed in the report. The opportunity to fund investment through PPP structures particularly the DBOM model involving prudential borrowing and capital receipts provides a potential vehicle to support the necessary investment. The approach through rationalisation and combining facilities provides an excellent platform for a ‘spend to save’ package of financing which would be supported through a prudential borrowing regime. Greater awareness will be required to encourage such solutions.

Summary of recommendations

Local Cultural Strategies

1. Local Cultural Strategies to be mandatory and sit within the Community Planning Framework

Performance standards for cultural provision

2. Establish a working party of key stakeholders in order to:
 - a. develop the draft VOCAL quality assurance model into a model for measuring the performance of local authority cultural services
 - b. examine the potential of transferring Quest and other models including Charter Mark into the broader cultural sector to provide a quality assurance framework for individual facilities
 - c. examine the potential of linking in with **sportscotland** in applying the models in 2a and 2b to include sport and leisure services and facilities.

Current levels and condition of cultural provision

3. Undertake a comprehensive audit of all cultural facilities by all providers in Scotland in order to enable an informed assessment of future investment priorities, and the scope for rationalisation and joint use of provision, to be undertaken. The audit should include:
 - a. a detailed understanding of the actual levels and location of cultural facilities across Scotland
 - b. a detailed assessment of the physical condition and investment requirements (DDA, repairs and maintenance etc).
4. Examine the potential of utilising interactive mapping packages to illustrate graphically the findings of the comprehensive audit and help to inform strategic decision making, particularly relating to cross border issues.
5. Ensure that the data fields enable baseline standards to be set regarding the operational and financial management of cultural services and facilities. This baseline should include measures of output and can then be used to inform the quality assurance framework noted under recommendation 1.
6. Following on from the sample survey of community use facilities in a selected number of authorities, undertake a detailed survey of multi use facilities such as schools and community halls that are used for culture but whose primary purpose is not culture. This survey is aimed at uncovering the levels, locations and usage for culture of these facilities in order to assess both their value for cultural activities and also best practice guidelines in the shared use of such facilities.
7. Ensure that culture forms a comprehensive part of the Asset Management Planning process.

8. Ensure local authorities undertake Alternative Use Valuations in order to identify residual value that may exist within the cultural portfolio, which could potentially be released to meet other cultural or wider corporate objectives more effectively.

Funding and delivery options

9. Examine the viability of a Scottish 'Cultural Fund' to amalgamate existing funding sources, simplify application procedures, provide a more transparent funding process, produce savings on administration costs and costs incurred in preparing bids to multiple organisations, and provide a longer term funding stream that can be linked to identified strategic priorities in the delivery of culture.
10. Identify opportunities for the rationalisation and joint use of facilities building on best practice examples for libraries and schools through the development of a comprehensive picture of supply and demand for cultural provision.

Investment

11. Develop the proposals for PPP structures on a self-financing basis fuelled by prudential borrowing and capital receipts. Highlight these opportunities through a series of road shows and build upon practical examples and useful experience from the education sector. Support for key projects through level playing field funding or a cultural fund finance should also be investigated.