

**Towards a Commissioning Strategy  
For  
Leisure and Culture Outcomes**

**Preliminary Analysis – July 2011**

## Table of contents

1	Introduction and Context .....	3
2	Background to Leisure and Culture services .....	11
3	Current Service Provision.....	14
4	Cheltenham's Leisure and Culture Offer.....	24
5	Alternative Delivery Arrangements .....	28
6	From Needs Assessment to Defining Outcomes – The Current Model Exercise .....	31
7	Current Model Exercise Assessment and Recommendations .....	36
8	Plan for next stage and capacity management.....	46
9.	Consultation .....	46

## 1 Introduction and Context

- 1.1 Cheltenham's journey towards becoming a strategic commissioning authority began with the publication of Sir Michael Lyons report (2007) Place-shaping: a shared ambition for the future of local government. Sir Michael said
- "I believe that local government is an essential part of our system of government today. Local government's place-shaping role – using powers and influence creatively to promote the well-being of a community and its citizens – is crucial to help improve satisfaction and prosperity through greater local choice and flexibility".*
- 1.2 Many of the issues facing our communities – the physical environment, local economy, carbon footprint, crime and anti-social behaviour, health and well-being, public health, all depend on contributions from a range of different agencies and organisations. A strategic commissioning approach allows the Council to fulfil its democratic role as the "governor of place".
- 1.3 The services provided by Leisure and Culture are generally well-performing and, particularly from the culture perspective, make Cheltenham what it is and bring a huge benefit to the local economy. In fact a loose interpretation of Cheltenham's motto '*Salubritas et Eruditio*' is 'Through Health and Learning,' which is an apt description of the benefits of leisure and culture outcomes.
- 1.4 However, the services are discretionary and the Council is facing unprecedented financial pressures. Choices around priorities will inevitably need to be made.
- 1.5 In the Council's role as strategic commissioner of outcomes and "governor of place", the challenge will be to ensure that the available deployable resources (people, assets and money) are used to their best effect to deliver the right outcomes for communities.
- 1.6 This report represents the start of the journey Towards a Commissioning Strategy for Leisure and Culture Outcomes.

### Cheltenham's Journey towards Commissioning Outcomes

- 1.7 The Council has, over the last two to three years developed a good track record in transforming services. Initial sharing of services – internal audit, building control, legal services – have proved successful in delivering moderate savings and good service performance. More ambitious projects are now being developed to share services across multiple partners (GO Shared Services Programme) and also through the creation of a Local Authority Company for a range of services including waste.
- 1.8 At the same time as transforming services the Council has been active in embracing its place-making duty through the enhancement of the economic prospects for the town via the Cheltenham Development Taskforce. Significant investment has also been made in working with partners to deliver a Joint Core Strategy – the planning framework for Cheltenham and its neighbouring authorities, Tewkesbury and Gloucester City.
- 1.9 In keeping with its duties to engage citizens and lead communities and in its "governor of place" role, the Council has made significant investment in its Local Strategic Partnership (LSP). Strong local thematic partnerships exist with a focus on outcomes necessary for vital and thriving communities. The existing local partnerships are viewed as being productive, self-starting and successful in delivering local outcomes for local communities. This strength in partnership working

places the Council in a good position as it reviews the LSP in the light of the move to commissioning outcomes. A Place Based Commissioning Project is currently underway with the ultimate aim of facilitating the development of joint commissioning, based on shared outcomes, with partners. The project is recommending a fundamental review of the existing partnership structures to support commissioning outcomes and these structures are being consulted on over the coming months.

- 1.10 The journey thus far has been one of responding to local opportunities and “sourcing” rather than “commissioning”. The move and focus now is to one where the needs and outcomes of the community are at the core; strategic commissioning is then about prioritising outcomes and delivering them in the most appropriate way to meet the needs of the community.

### **The Council’s Financial Context**

- 1.11 Like many authorities, the Council faces significant financial constraints and has been required to adopt a rigorous approach to finding year on year financial savings. The outcome of the Comprehensive Spending Review (CSR) resulted in a cash reduction in government support of £1.090M, a cut of 15.16% in 2011-12 to be followed by a further provisional cut of £579K (9.57%) in 2012-13. Cumulatively, this equates to a 23.86% cut over 2 years. Funding levels for the following 2 years have yet to be announced but it is likely that they will continue to have a detrimental impact on the council’s finances.
- 1.12 The Medium Term Financial Strategy (MTFS) indicates a funding gap for the financial years 2011-12 to 2016-17 of £5.3M. The 2011-12 budget shortfall of £2.808M has been bridged – in that projects are in place which are planned to deliver this financial target. Future years’ initiatives have identified savings totalling £0.964m, leaving a remaining shortfall of £1.54m across the years 2012-13 to 2016-17. The Bridging the Gap (BtG) Programme is responsible for monitoring the delivery of agreed cashable savings. Work is currently underway to identify how the remaining shortfall will be met. Whilst the primary objective of commissioning reviews is to ensure that needs are met through the delivery of appropriate outcomes there is an explicit requirement that commissioning will deliver financial savings.

### **Leisure and Culture Review Scope and Financial Context**

- 1.13 This review encompasses Art Gallery and Museum (including Tourism and the Tourist Information Centre) (AG&M), Town Hall and Pittville Pump Room (PPR), Leisure@ (including Prince of Wales Stadium), Sports, Play and Healthy Lifestyles (SP&HL). Grants for the Playhouse Theatre and Gardens Gallery do not fall within the scope of this review; neither do sports pitches and outdoor activities, eg, Tennis, football pitches as these have just been the subject of a new management agreement.
- 1.14 Net operational expenditure totals £2.517M rising to £4.032M after the inclusion of support services and depreciation. Net spend (excluding depreciation is £3.0M) representing 21.33% of the council’s net revenue budget (**Table A**).

<b>Table A – Leisure and Culture Net Operational Expenditure and Net Cost of Service (2011-12)</b>		
<b>Service Area</b>	<b>Net Operational Expenditure</b>	<b>Net Cost of Service</b>
Town Hall	£206,800	£445,100
Box Office*	£175,200	£201,900
Pittville Pump Room	£165,300	£237,200
Museums and Tourism	£799,550	£996,450
Arts Enabling/Grants**	£186,900	£187,000
Leisure@ (including Prince of Wales Stadium)	£744,500	£1,689,300
Sport, Play and Healthy Lifestyles	£239,400	£265,600
<b>TOTAL</b>	<b>£2,517,650</b>	<b>£4,032,550</b>

*Note: The box office costs are separated out for costing purposes but the box office supports both the Town Hall and Pittville Pump Rooms as well as taking bookings for a number of other events outside the Council's direct activity.*

- 1.15 Whilst descriptions of mandatory and discretionary spend are not necessarily useful in isolation, it is worthwhile noting that the expenditure falling within the scope of this commissioning review is discretionary spend.

### **Revenue Expenditure – 2007-08 to 2011-12**

- 1.16 Reductions in the net cost of cultural activities are not a new phenomenon. The David Pratley Associates Report (DPA)<sup>1</sup> (Section 2) had as one of its 2 overriding objectives “to reduce the net cost of cultural activities, in line with other economies across the Council, that will be required to balance future budgets”. Ongoing reduction in net operational expenditure, and hence public subsidy, for leisure and culture services has been an ongoing theme. Over the financial years 2007-08 to 2011-12 revenue budget savings amounting to £573,200 (Table B) have been achieved through a mixture of restructures and staff reductions, efficiency projects, increased revenue and other operational expenditure reductions eg, ICT software, training budget reductions.

<b>Table B – Savings to Base Budgets 2007-08 to 2011-12</b>	
Art Gallery and Museum (AG&M) – including Tourist Information Centre (TIC)	£155,700
Entertainments (Town Hall and Pittville Pump Room (PPR))	£222,800
Leisure@ (including Prince of Wales Stadium (PoW))	£153,700
Sport and Play	£41,000
<b>Total</b>	<b>£573,200</b>

<sup>1</sup> Culture in Cheltenham – Planning for a Sustainable Future Final Report February 2006

### Planned Maintenance Expenditure – 2007-08 to 2011-12

- 1.17 Planned maintenance expenditure over the same financial period averages £300Kpa for ongoing maintenance works, eg, cyclical electrical testing, external light, cleaning (swimming pools), repairs to track and field, etc.

### Capital Expenditure – 2008 - 09 to 2012 - 13

- 1.18 The in scope services will account for £2.285M of Council funded capital expenditure (2008-09 to 2012-13); £2M of which relates to the Council's contribution to the new Art Gallery and Museum re-development scheme as agreed by Council in July 2008. This figure has been further supplemented by underwriting £922K (Section 3) following the successful Heritage Lottery Fund (HLF) second round application.

### Benchmarking

- 1.19 Recognising that benchmarking is not an exact science it can provide a "useful indication" how the Council performs/spends its money when compared with other district councils. CIPFA (Chartered Institute of Public Finance and Accountancy) 2009-10 benchmarking for sport, recreation and cultural services shows that, in terms of spend per head of population Cheltenham, when compared to the average district council spends:
- Around 3 times more on its culture and heritage services, and at £1,940 is the second highest spending lower-tier council behind Ipswich (£2,544);
  - Around twice as much on tourism
  - At about the same level in relation to recreation and sport

<b>Table C Average Spend Per Head of Population 2009-10</b>		
<b>Service Area</b>	<b>Average Spend of 202 District Councils</b>	<b>Cheltenham Spend</b>
Recreation and sport	£1,235	£1,230
Open Spaces	£987	£639
Tourism	£181	£350
Culture and Heritage	£623	£1,940
Net total cost culture, sport and recreation	£3,619	£4,159

- 1.20 Arts, culture and tourism are inextricably linked and therefore the results of this initial benchmarking exercise are perhaps not a surprise, positively reflecting where the Council has made decisions to invest. It is recognised that comparisons are with all districts and not those whose social and economic profile is necessarily more aligned with Cheltenham.
- 1.21 Data in relation to attendances is less current, ie, 2008-09. However, the data shows a positive position for the Council where, compared to all district councils there were;
- 172,791 attendances at the Council's leisure centre compared to an average of 124,940;
  - 55,182 attendances at the Town Hall compared to an average of 32,657
  - 65,000 visitors to the Art Gallery and Museum compared to 18,784 for all councils.

Therefore, a general conclusion which might be drawn is that a better comparator than spend per head might be cost per attendance in providing a very high-level value for money comparison.

### **Wider Economic Benefit to Cheltenham**

- 1.22 Whilst the revenue and capital expenditure to deliver leisure and culture services are important to understand, the cultural offer, in particular, is acknowledged as bringing wider social, economic and community benefits. In 2003 Comedia reported that the cultural offer generated community vitality and a sense of belonging bringing an annual contribution of some £34 million to the economic well-being of the Borough and its residents. This represented 0.8% of the total business turnover. It must be recognised that their assessment of the value of the “cultural offer” was making a statement of the “whole town” offer of which the services provided by the Council are an element.
- 1.23 However, more recently (2010) an independent study commissioned by Cheltenham Festivals reported that:
- “The economic impact of the four Festivals in the town has increased by nearly 200% since 2002, rising to £5.2 m of primary and secondary spending from £1.8 m in 2002 and support around 139 jobs.”*
- 1.24 Almost three-quarters of local businesses rated Cheltenham Festivals as important to the town, and having a positive impact on their business. During the recent Times Cheltenham Literature Festival 20% of businesses commented that they saw turnover rise by more than 10%, and 12% employed additional staff.
- 1.25 As noted in the DPA Report (2006) *“maintaining the Borough’s cultural heritage ... in the light of financial pressures represents a substantial challenge but not one that the council is shying away from”*.
- 1.26 The Council’s commitment to providing for a sustainable and viable future for its leisure and culture portfolio is as strong today as it was when the DPA report was produced. However, what is different today from 2006 is the financial climate within which the Council operates and the significant reductions to budget suffered over a number of years but most recently through the CSR.

### **Environmental and Economic Strategic Context**

- 1.27 Alongside the challenge of public sector financial restraint are wider social, economic and environment challenges. The Sustainable Community Strategy (SCS) 2008-2011 set out a range of issues facing Cheltenham which are still relevant today and which need to be considered when commissioning leisure and culture outcomes.

#### **Access to energy supplies and climate change**

- 1.28 The SCS identified access to energy supplies and the link to climate change as the single most important issue that will affect Cheltenham over the next 20 years. The concept of “peak oil” is widely known as are the impacts of climate change. When commissioning outcomes the challenge will be to promote the efficient use of fuel and other natural resources to reduce carbon emissions as well as reduce cost. There is also the very practical issue of services which can cope with the impacts of severe weather; a very real need as the 2007 floods demonstrated.

### **An ageing population**

- 1.29 Cheltenham already has an ageing population with 17.1% of people 65 years or over. This figure is likely to increase to 24% by 2026. Whilst some older people will remain fit and active for longer there is the potential for some older people to be vulnerable and isolated, and in need of additional health, social care and housing services. Joint commissioning will therefore become even more important. A partnership approach; public, voluntary and maybe private, will be needed. The focus on outcomes will need to be holistic. It will not be sufficient to just consider improving health and well being, providing care, support and protection for older people. It will also be important to recognise the relationship between these outcomes and wider provision, eg, appropriate housing, social, education, employment and transport.

### **Integration and cohesion**

- 1.30 Cheltenham has an increasingly diverse population which brings advantages to the local economy including access to a more skilled workforce and availability of labour. This is in addition to the benefits of sharing different cultures. Pressures, however, also build including for example demands on housing stock. Commissioning must be an inclusive process. The Council must work with people from all backgrounds, faiths and circumstance so that all can have similar life opportunities and be able to live and work alongside each other.

### **Development**

- 1.31 One of the most pressing issues that will affect Cheltenham over the next few years is the need to plan its growth and development through the Joint Core Strategy. The risk from additional growth is that local people do not want to see the unique character of the Borough and their local identity undermined. However, there are opportunities from new development particularly around the potential to provide more affordable housing, improved support infrastructure for both new and existing communities, additional employment land and retail and leisure opportunities all within the context of low carbon development.

### **National Policy Context**

- 1.32 The national policy context is important, in particular the changes planned for the NHS and GP Commissioning. As NHS Gloucestershire consults on the future of "Your NHS" it will be important to build upon the opportunity for more integrated working between local government and other partners, and in particular GP consortia.
- 1.33 The 2012 Olympics also creates an opportunity for improving and encouraging wider participation in sports and healthy lifestyles. Cheltenham's hosting of the Olympic torch is a once in a lifetime opportunity to showcase leisure and culture in Cheltenham and, in particular, to connect leisure and healthy lifestyles with the public consciousness.

### **Commissioning Leisure and Culture Outcomes**

- 1.34 Members have been clear in their priority to maintain the level and quality of front-line services wherever possible. The financial backdrop is, however, like never before, forcing the Council to fundamentally review and assess priorities. Commissioning provides the Council with a way of re-thinking and re-shaping how "outcomes" vital to the social and economic well-being of the community might best be provided for across the wider public and voluntary sector community.
- 1.35 Leisure and culture are the Council's highest areas of non-discretionary spend theoretically making them more vulnerable than statutory services to the impact of



budget reductions. Yet these services are held in high regard and add significant value to the social, economic and community well-being of Cheltenham and in many ways “make Cheltenham what it is”.

### Leisure and Culture Preliminary Analysis

- 1.36 This **Preliminary Analysis** has purposely concentrated on looking at how **current service delivery arrangements** are able to deliver an agreed set of outcomes. This preliminary analysis has sought to define:
- (1) What we currently do
  - (2) What we want to do?; and
  - (3) How best to do it?.
- 1.37 To answer (1) “*what we currently do*” has involved some context setting and background research to
- Document the background to the leisure and culture services; (Section 2)
  - Capture performance data and user/customer information; (Section 3)
  - Understand how the Council’s leisure and culture provision fits into Cheltenham’s wider leisure and culture offer; (Section 4)
  - Gain a basic understanding of what other alternative delivery models for leisure and culture exist, how they are performing, always recognising the importance to learn from failures as well as successes (Section 5)
- 1.38 To answer (2) “*what we want to do?*” the main requirement has been to define the outcomes for Leisure and Culture based on “needs assessment”. Section 6 explains the process of moving from “assessment of need” to “defining outcomes”.
- 1.39 The objective of Section 7 is to **assess the current delivery arrangements in their ability to deliver an agreed set of outcomes within a challenging framework**. The assessment seeks to address 2 criteria:
- (1) Whether the current delivery arrangements can deliver new proposals, which reduce cost, but do not undermine the outcomes being sought; and
  - (2) Is the service provision direction of travel assessment satisfactory from the standpoint of improving service outputs (eg, footfall, attendances), direct outcomes for people (eg, improved health), service delivery principles (eg, quality of venues, out-reach work, volunteering) sustainability impact (eg, environmental considerations) and finally equality impact (eg access for all).
- 1.40 The assessment draws conclusions as to whether the evidence presented satisfies the criteria together with recommendations for next steps. These recommendations do not as yet, however, fully answer question (3) above. The recommendations do, though, suggest a way of moving forward where progress can be made on all fronts but being clear about the priority for further intensive and targeted work.
- 1.41 The review has also identified a number of more general issues which need to be considered and some general recommendations are also made in Section 7.
- 1.42 Section 8 outlines milestones for next steps; Section 9 describes the broad consultation arrangements. Service providers have been represented on the review project team and have been consulted on the recommendations within this report. There are risks to the plan for the next steps, arising from the number of corporate

change programmes and projects taking place in the Council with some resource conflicts already identified. Current project risks are set out in Appendix 5.

### **Art Gallery and Museum**

- 1.43 It should be noted at this point, that the Current Model Exercise was not completed by the AG&M. At the same time as the second round HLF bid was being considered this review commenced. It was therefore felt inappropriate to ask service providers to complete the exercise and instead await the outcome of the HLF bid. In fact the HLF grant uses an outcomes based approach and also includes special conditions attached to the HLF application itself. To create another set of outcomes would overcomplicate an already understood and well-researched approach. However, the AG&M has been considered in terms of recommendations for next steps and these are outlined in Section 7.

### **Summary**

- 1.44 Like many authorities, the Council faces significant financial constraints and has been required to adopt a rigorous approach to finding year on year financial savings.
- 1.45 High level benchmarking indicates that Cheltenham spends approximately 3 times per head of population on its culture and heritage services when compared to all district councils (2009-10 CIPFA). It spends around the average of all district councils on its leisure services.
- 1.46 Ongoing reduction in net operational expenditure, and hence public subsidy, for leisure and culture services has been an ongoing theme. Over the financial years 2007-08 to 2011-12 the Council has been successful in achieving leisure and culture budget savings amounting to £573,200.
- 1.47 The Council's commitment to providing for a sustainable and viable future for its leisure and culture portfolio is as strong today as it was when the DPA report was produced. However, what is different today from 2006 is the financial climate within which the Council operates and the significant reductions to budget suffered over a number of years but most recently through the CSR.
- 1.48 The challenge for the Council is, therefore, in a period of significant financial restraint, how best to commission the outcomes for leisure and culture, which secure that viable and sustainable future, but from a standpoint of a significantly reduced level of direct public investment.

### **Report Structure**

- 1.49 The report structure is as outlined below:
- Background to Leisure and Culture services
  - Current service provision
  - Cheltenham's leisure and culture offer
  - Alternative Delivery Arrangements
  - From Needs Analysis to Defining Outcomes – The Current Model Exercise
  - Current Model Exercise Assessment and Recommendations
  - Milestones
  - Consultation

## 2 Background to Leisure and Culture services

### Culture in Cheltenham: Planning for a Sustainable Future

- 2.1 DPA were commissioned in 2005 to produce a review document "*Culture in Cheltenham : Planning for a Sustainable Future*". The report was jointly commissioned by the Council and Cheltenham Festivals, with the majority of funding coming from Arts Council (South West).
- 2.2 Some of the report's initial options such as the creation of a 'Cultural Foundation' or Trust, and the sale or long lease of some of the venues were rejected in favour of what were judged to be financially sustainable alternatives which were supportive of the then current programme. The report made it very clear that the status quo was not a sustainable option.
- 2.3 The report was presented to Cabinet in March 2006 when the following decisions were taken to:
  - Endorse an outline scheme to develop the Art Gallery and Museum, using funds from the sale receipt of the Axiom to support the scheme.
  - Seek partnership opportunities for the operation of both the Town Hall and the Pittville Pump Room.
  - Endorse the principle of full independence for Cheltenham Festivals and that this be achieved as quickly as possible.
  - Endorse the principle of the Council as an enabler rather than direct provider of arts.
- 2.4 The DPA report and the decisions taken by Cabinet in 2006 created a 5year framework for the Council's work on arts and cultural services and the current context for the services in scope of this commissioning review are discussed below.

### Art Gallery and Museum (AG&M)

- 2.5 The development scheme for the AG&M was developed through a Royal Institute of British Architects (RIBA) Open Design Competition in January 2008 and Cheltenham Art Gallery & Museum Development Trust (CAG&MDT) was established and registered as a charity to support fundraising efforts.

### Pittville Pump Room (PPR)

- 2.6 In July 2007 Cabinet agreed to retain the in-house management of Pittville Pump Room, with operational responsibility eventually falling under the remit of the Town Hall Manager. Cabinet's request was that steps be undertaken to restore levels of business at the PPR by increasing commercial revenue and reviewing operating costs.

### Cheltenham Festivals

- 2.7 To support the independence of Cheltenham Festivals, the council agreed to invest £500,000 of Local Authority Business Growth Incentive (LABGI) funding over 3 years and to monitor and measure progress through a Joint Overview & Scrutiny Festivals Working Group. Following a recent review by the Working Group, in December 2010 a number of proposals were put forward to Cabinet including:
  - A further review of the existing Town Hall catering arrangements to ensure greater flexibility of use by Cheltenham Festivals

- A joint strategic cultural plan for the town is developed as part of the 2011/2012 Corporate and Community Planning process

### **Tourism and Marketing Strategy**

- 2.8 Going beyond the remit of the DPA report, the council has recently adopted a Tourism and Marketing Strategy. This was developed in 2010 by the Tourism & Marketing Working Group, a joint group from both Social & Community and Economic & Business Improvement Overview and Scrutiny Committees.
- 2.9 The strategy has a three year action plan with three actions for the leisure and culture review:
- As part of the Leisure and Culture Review devise proposals for improving Cheltenham's 'family offer' - working with fellow cultural and commercial partners to explore the potential of joint revenue-earning
  - As part of the Leisure Culture Review develop a strategy for capital investment and development plans at the Town Hall
  - As part of the Leisure & Culture Review consider the commercial feasibility of improving conference facilities

### **Leisure@**

- 2.10 In November 2002, Cabinet took the decision to bring the management of the leisure centre in-house from April 2003.
- 2.11 Following the devastating floods in the summer of 2007, the Council debated a number of options for the future of the site, including creation of a new leisure\fun facility with joint local authority partners, downsizing the existing facility mix to retain a limited level of wet and dry-side provision, complete closure of the facility, or refurbishment of the core leisure facility with more thought being given to the re-opening of the cricket hall which had been particularly affected by the floods.
- 2.12 Council fully supported the latter option to reinstate Leisure@ with the service goal summarised as to maximise income, improve efficiency, and to grow health and partnership opportunities. The centre re-opened in September 2008 and the improved equipment and facilities have received much positive feedback from customers. The current business model reflects the consultation with stakeholders and advice sought to redesign the business post-flood. This model has delivered well and the positive direction of travel continues.

### **Sports Development**

- 2.13 To compliment the direct provision of sport and recreational facilities, the Council continues to support a Sport, Play and Healthy Lifestyles (SP&HL) service to deliver school holiday programmes, family events and a range of targeted out-reach projects across the Borough. Since 2008 a healthy lifestyle post has also been jointly funded between the Council and NHS Gloucestershire to promote healthy lifestyles and tackle health inequalities.

### **Other developments**

- 2.14 Alongside the commitments to improve the quality of in-house delivered services, the Council has also been pro-active in working with and supporting other leisure and culture providers. These include the Holst Birthplace Trust, the Sandford Lido Trust,

the Everyman Theatre, the Playhouse Theatre and the Gardens Gallery Community Interest Company.

### Summary

- 2.15 The 2006 DPA report provided a 5 year framework for cultural services. The Council has driven forward this longer-term approach and continues to support investment into its cultural provision, taking opportunities where possible to explore alternative delivery arrangements, eg, Cheltenham Festivals.
- 2.16 The Council has also remained committed to its leisure provision, making the decision to reinstate Leisure@ following the 2007 floods.
- 2.17 The framework has worked well in achieving one of the DPA report aims *“to reduce the net cost of cultural activities, in line with other economies across the Council”*. However, the question remains whether it is possible to continue to deliver the outcomes for leisure and culture, which are important from an economic, social and community perspective, through the current delivery arrangements and at the same time deliver year on year savings.
- 2.18 Again, reflecting back to the DPA Report, the challenge then was recognised as the ability of the Council to maintain *“the Borough’s cultural heritage... in the light of financial pressures represents a substantial challenge but not one that the council is shying away from”*. This challenge is as real today as it was in 2006.

### 3 Current Service Provision

#### Introduction

- 3.1 Leisure and Culture Services generally perform well and are well regarded. The strategy since 2006 has been to reduce the level of public subsidy whilst at the same time enhancing the customer satisfaction with service facilities.
- 3.2 The purpose of this section is to provide a brief summary of:
- Background and current service provision
  - Headline performance data
  - User/customer data
- 3.3 This section will also provide a brief commentary on community perception of Leisure and Culture services gained through the 2011-12 budget consultation exercise, the 2008 Place Survey and 2009 Tourism and Marketing Strategy consultation.

#### Art Gallery and Museum (AG&M) – including Tourism

##### Background and Current Service Provision AG&M

- 3.4 Cheltenham Art Gallery & Museum was established between 1898 (gallery) and 1907 (museum) and now holds several outstanding collections (many of which were given by local people); including a nationally designated Arts and Crafts Movement collection, much of which relates to the Cotswolds. It is based in Cheltenham town centre and is open 7 days a week; admission is free and it receives over 65,000 visits annually and works with a further 6,000 people through community outreach.
- 3.5 The AG&M cost centre accounts for the highest level of public subsidy of the leisure and culture services, £799,550 (2011-12) (Table A). It has however, over the period 2007-08 to 2011-12 delivered savings of £155,700 (Table B), this includes £50K saving in 2011-12 as a result of a restructure taking place with the AG&M is closed for the re-development. The MTFS also includes a further £50K saving following re-opening in 2013-14.
- 3.6 The DPA Report concluded that *“in order to attract more visitors, it is critical that the AG&M develops larger spaces for temporary exhibitions”*. It went on to recommend that the then current refurbishment scheme be further developed and that Council endorse an outline scheme to develop the AG&M. Council accepted this recommendation.
- 3.7 Cheltenham Tourist Information Centre (TIC) is currently located adjacent to the main Council offices. Whilst it is a central location, it is extremely hampered by its accessibility for visitors. In addition its opening hours are restricted to those of the Council offices due to access restrictions particularly during weekends.
- 3.8 The proposals to relocate the TIC to the new AG&M will ensure that this key visitor service becomes fully accessible to all customers. Visitors to the TIC will be drawn into the AG&M, one of Cheltenham’s finest attractions, which in turn will develop and increase AG&M footfall.

- 3.9 The re-development scheme funding requirement is now £6.3M. At April 2011 fundraising stood at £5.4M. A requirement of the HLF second round application was that any shortfall in scheme cost was required to be underwritten. In March 2011, the HLF second round application was secured. The Council has undertaken to underwrite any shortfall to a maximum of £922K.
- 3.10 The Cheltenham Art Gallery and Museum Development Trust (CAG&MDT) was established and registered as a charity in the autumn of 2008 with aims including;
- The provision of support for improvements to the AG&M through assisting in raising funds towards the new development;
  - Safeguarding the financial management of the project; and
  - Ensuring the AG&M subsequent viability.
- 3.11 The CAG&MDT, all unpaid, have extensive cultural, heritage and charities experience. Together with the Friends of Cheltenham Art Gallery and Museum considerable commitment and effort has gone into raising a not insignificant proportion of the total development scheme cost.
- 3.12 As well as creating a modern and accessible museum space the development scheme also creates the opportunity to secure wider economic and creative growth as well as the regeneration potential that a cultural quarter presents for the town. The relationships being forged with the University of Gloucestershire and the Gloucestershire Guild of Craftsmen will be central to bring to life the vision of a “crafts” hub. Furthermore, working with other partners including the Cheltenham Development Taskforce (CDTF) there is a real opportunity to secure wider regeneration around St Mary’s Churchyard strengthening the linkages between the lower High Street and Brewery site.
- 3.13 During the redevelopment period, when the museum is closed the AG&M is, through modest investment, focussing on its very popular out reach work and one-off exhibitions in an effort to engage and interact with new audiences. One of the development scheme’s key measures of success is to reach a more diverse audience and customer base, this is in addition to significantly increasing footfall generally.

### **Headline Performance Data –AG&M**

- 3.14 Table D shows that over the 4 years 2007-08 to 2010-11 visitor figures to the AG&M have gradually increased due to the expansion of activities, talks and exhibitions. In 2009-10 the AG&M successfully hosted two touring exhibitions from the National Portrait Gallery. Visitor figures have been further boosted by the opening of the AG&M on Sundays and regular late evening openings on the third Thursday of the month.

<b>Table D – AG&amp;M Visitor Numbers and Website Hits</b>				
	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Visitor Numbers	65,405	61,728	74,302	79,934
Website Hits	328,806	247,471	227,327	164,487

<b>Table E – AG&amp;M Education Statistics</b>				
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
School visits (both on-site and out at schools)	5,500	5,581	4,830	2,875
Museum 'Take-Away' <sup>2</sup> loan service	1,015	1,095	1,213	1,244

- 3.15 Table E shows that school visits have declined since 2007. This decline is reflective of reductions in school budgets and the recession with public/schools having to pay for visits. However, the AG&M has seen an increase in the numbers using the "Take Away" service. This is a loan box service provides a collection in a box which can be taken to schools and community groups and hired for a period of time.

<b>Table F – Tourist Information Statistics</b>				
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Visitor Numbers	75,251	77,623	79,522	76,221
Website Hits	534,480	510,406	1,127,944	1,287,375

### **Users/Customer Data – AG&M**

- 3.16 Since 1995, the AG&M has commissioned consultation/research at set periods to understand and get to know existing audiences, as well as importantly, to understand who they are not reaching. The research shows that visitor demographics tend to reflect the middle class, middle-aged, white, socio-economic group who are generally perceived as traditional visitors to museums and art galleries. There are very few visitors from culturally diverse groups. In 2007, 89% of the respondents described themselves as white British with low numbers of young people between the ages of 16 and 18.

### **Town Hall and Pittville Pump Room**

#### **Background and Current Service Provision**

- 3.17 The Town Hall is a 900 seat (main concert hall) and 300 seat (Pillar Room) venue which promotes a wide and varied selection of events and activities, including, booking and hosting live music, comedy, dancing as well as festivals and community events. More recently, refurbishment of the facilities, in particular the Drawing room, has opened up the opportunity to market the Town Hall for civil ceremonies including weddings and celebrations of life.



- 3.18 The Pittville Pump Room (PPR) was the last and largest of the spa buildings to be built in Cheltenham; built by the architect John Forbes between 1825 and 1830. The venue is often used as a concert hall, especially during the Cheltenham Music Festival. Previous considerations to dispose of the asset (DPA 2006 report) were not moved forward. PPR is in particular a splendid location for weddings, concerts, meetings and gatherings, as well as a destination for tourists visiting the town.
- 3.19 The operating subsidy for the Town Hall and Pittville Pump Room is £547,300 (including the box office) (Table A). The venues have delivered savings of £222,800 (Table B) in particular through bringing together the management of the two venues, and increased income from weddings and other bookings.
- 3.20 Complementing these two significant cultural venues are the town's parks and open spaces. These too are often used for festivals and open air concerts which have the added benefit of attracting visitors to the towns many gardens. In particular the physical location and proximity of the Town Hall to Imperial and Montpellier Gardens is increasingly important particularly for the staging of Cheltenham Festivals. Consultations are currently taking place on the future usage of the gardens for festivals. The issue at hand is how to maintain a delicate balance between preserving for residents and visitors well-tended green and open spaces with their ongoing use as venues for festival events.

#### Headline Performance Data – Town Hall

Table G – Town Hall Venue Income		
Year	Promotions	Hall Hire
2007/8	£56,268	£140,091
2008/9	£87,100	£160,543
2009/10	£46,966	£144,418
2010/11	£84,942	£135,244

- 3.21 Following the recommendations of the DPA Report the Town Hall and PPR venues have made strides to improve their performance as business models. Whilst hall hire income for the Town Hall has declined due to the financial climate and the recession this has been more than offset by the growth in the promotions market with the Town Hall hosting headline acts and performances throughout the year.
- 3.22 The Tourism and Marketing Strategy (Section 3) recognised the importance of the Town Hall not only to the cultural offering of the town but also as one of Cheltenham's finest buildings and therefore important from the perspective of wider economic potential. The strategy and accompanying action plan contains 2 actions of specific relevance to this review and the Town Hall:
- Develop a strategy for capital investment and development plans at the Town Hall.
  - Consider the commercial feasibility of improving conference facilities.

## Headline Performance Data – Pittville Pump Room

Table H– Pittville Pump Room Income	
Year	Income
2007/8	£135,446
2008/9	£149,579
2009/10	£168,900
2010/11	£179,538

- 3.23 PPR hall hire has steadily increased over the last 4 years due to a commercial approach to the use of the venue.
- 3.24 The bringing together of the management and administration of both venues has delivered operational savings as well as providing one point of contact for customers looking for a special celebration venue. What the Town Hall might not be able to provide the PPR might, and this inter-relationship between venues has increased profitability.

Table I – Box Office Ticket Sales and Income		
Year	Tickets Sold	Income (gross)
2007-08	243,328	£2,449,911
2008	259,248	£2,570,401
2009-10	288,629	£2,930,136
2010-11	233,314	£2,553,803

*Note: Cheltenham Festivals ticket sales transferred from 1 January 2011*

- 3.25 The number of tickets has increased steadily over the last four years (Table I). It is worth noting that ticket sales represent events at the Town Hall, PPR, Cheltenham Festivals and other festivals including Wychwood and the Food and Drink Festival. (67% of tickets sold relate to Cheltenham Festivals).

## User/Customer Data – Pittville Pump Room

- 3.26 The numbers of tickets purchased per ward has been mapped and shows that a significant proportion of customers live in the Lansdown, Park, College and Leckhampton wards. However, there are relatively low numbers of customers in Swindon Village, St. Pauls, Oakley and Springbank wards. Whilst not drawing any definitive conclusions in relation to this data it is a fact that these areas feature in the list of top 10% most deprived areas in the county.

## Leisure@, Prince of Wales Stadium, Sport Play and Healthy Lifestyles

- 3.27 The Council's leisure provision may be described as having 3 main areas of business;
- Leisure@ - a commercial leisure operation

- Prince of Wales Stadium
- Targeted community/health operation (partly provided from within Leisure@ and partly from the separate Sport, Play and Healthy Lifestyles (SP&HL))

### Background and Current Service Provision – Leisure@

- 3.28 Leisure@ offers a wide range of facilities and services with over 500,000 visits per annum. Customers of the facility take part in physical, health and learning activities across sport, recreation and health. Leisure@ is the only publicly provided leisure facility available within Cheltenham and pricing is designed to enable engagement in physical activity with targeted services at zero or low cost on a session by session basis.
- 3.29 Looking at headline fees and charges data Leisure@ charges, when compared to a number of comparable facilities, are competitive.
- 3.30 The centre provides a very popular swimming pool together with a range of sporting facilities that are hired out by individuals, groups and clubs, plus a membership-based scheme for the fitness suite. This mainstream provision is complemented by specific programmes to improve the health of key client groups including older people, people with disabilities and people with identified medical/clinical needs. The mainstream provision subsidises the targeted service provision.
- 3.31 The centre also offers a wide range of health related services including a hairdresser (tenant), Health & Beauty treatment (tenant), osteopath & sports injury massage (tenant) plus a meeting room and café.

**Table J – Leisure@ Service Provision**

- |   |
|---|
| <ul style="list-style-type: none"> <li>• Three swimming pools; Main pool (33m), Teaching pool (23.8m), Diving pool</li> <li>• Sports hall; Eight badminton courts, five-a-side football, volleyball, netball, short tennis and circuits, martial arts</li> <li>• Cricket hall; Five cricket nets, full hall cricket, five-a-side football, four badminton courts</li> <li>• Squash; five courts for racquet ball and squash</li> <li>• Fitness suite with cardio vascular and resistance fitness equipment</li> <li>• Spin studio with 25 spin bikes</li> <li>• Multi activity room for pilates, yoga, parties, low impact exercise to music</li> <li>• Dance studio</li> <li>• Health spa with sauna, steam room, jacuzzi and relaxation area</li> </ul> |
|---|

### Headline Performance Data – Leisure@

- 3.32 The 2007 floods provided a perhaps somewhat unexpected opportunity for the Council to recommit its categorical support for Leisure@. Through extensive consultation with the public it re-shaped its offering and since re-opening the centre has proved very popular. Footfall has increased and attendances have gone from strength to strength.

<b>Table K – Leisure@ Attendance Data (selected schemes)</b>			
<b>Activity</b>	<b>2009-10 Total</b>	<b>2010-11 Total</b>	<b>% Change</b>
Under 16	47,235	47,506	+1%
50+ Active Life	27,811	43,445	+56%
£1 Concession Swim	15,244	15,545	+2%
Reactive GP referral Programme	38	296	+678%
Footfall	279,895	291,613	+4.3%
Income	£1,349,374	£1,481,200	+9%

- 3.33 **Table K** highlights some key performance data. In particular the Reactive GP referral programme<sup>3</sup> continues to go from strength to strength. Held up as good practice, the physiotherapy services and others using the reactive concession schemes have identified these partnerships as delivering excellent outcomes and quality to patients. The employee training and expertise in these areas complements the programmes.

### **User/Customer Data – Leisure@**

- 3.34 A range of subscription schemes or packages on offer are used by 3,900 subscribers of which 1,400 are gym memberships. Member distribution shows that the centre's reach is approximately 3 miles from the facility and a 10 minute driving time. Leisure@ itself is used by:
- 37 educational establishments
  - 26 schools/colleges for swimming lessons
  - The University use a range of facilities including the gym and the pool for water polo
  - 25 sporting clubs including football, netball, rugby, athletics, martial arts and canoe polo.
  - 14 health/community partners who are using the facilities to improve health outcomes for their clients including GP Referral Schemes.

### **Background and Current Service Provision – Prince of Wales Stadium**

- 3.35 As part of Leisure@, the Council also operates the Prince of Wales Stadium which has a capacity of c2,000.

<b>Table L – Prince of Wales Stadium Service Provision</b>
<ul style="list-style-type: none"> <li>• 6 lane 400m circuit including steeple chase &amp; 8 lane 100m home straight</li> <li>• Long Jump / High Jump / Triple Jump / Pole Vault</li> <li>• Throwing cage (Hammer &amp; Discus), Shot put, Javelin</li> <li>• 2 full pitches primarily used for Rugby &amp; Rugby League</li> <li>• Personal Training Gym (tenant) in basement</li> <li>• 2 Meeting Rooms and club house</li> </ul>

<sup>3</sup> GP referral is an exercise on prescription service provided at leisure@ Cheltenham with all GP surgeries in Cheltenham using the service.

### **Headline Performance Data – Prince of Wales Stadium**

- 3.36 During 2010/11 57 events took place with attendance between 400 and 2,000; events invoiced for the current financial year to date total 30 with similar attendance levels. General income is £24k per annum and rental income totals £11k per annum excluding utility charges to CRFC.

### **User/Customer Data – Prince of Wales Stadium**

- 3.37 The Prince of Wales Stadium is the home of Cheltenham Rugby Club who have a 35 year lease and operate from the facility between September and April. The university's Rugby Union and Rugby League teams use the stadium for fixtures and training. The athletics track is booked with 6 educational establishments. The stadium is home to the Cheltenham Harriers, Gloucestershire's leading athletics club and provides a base for a number of other groups, eg, the Women's Running Network.

### **Sports, Play and Healthy Lifestyles (SP&HL)**

- 3.38 The council provides a well regarded programme of sports development, healthy lifestyles and play development activities that is delivered in a range of community settings. The NHS part-fund the post of healthy lifestyle development officer reflecting a joint commitment to health improvement in communities.

### **Background and Current Service Provision – SP&HL**

- 3.39 Programmes are provided under 3 categories;
- Sports development (eg after school projects, disability sport, summer of sport);
  - Play development (eg holiday play-schemes, play ranger sessions, family play events, equipment loan scheme);
  - Healthy lifestyles (eg, physical activity, healthy eating, alcohol/drugs misuse, emotional health and well being)

### **Headline Performance Data – SP&HL**

- 3.40 Attendances at Sport, Play and Healthy Lifestyles activities (2010) are described in Appendix 3.
- 3.41 The "Play Zone holiday schemes" are run from Balcarras and Rowanfield schools; the Balcarras scheme is a full day scheme from 8.30am to 6.00pm and charges £14 per child. The Rowanfield scheme runs from 10.00am to 3.30pm and charges £3 per child. The charge per day is extremely competitive compared to the market.
- 3.42 In addition to the holiday schemes, the council provides a weekly programme of play and sport ranger activities in local parks across the borough, and sport zone road shows 3 days per week for the 5 weeks of the sport specific camps.

### **User/Customer Data – SP&HL**

- 3.43 Community outreach work focuses on priority areas and specific target groups to promote healthy lifestyles and contributes to a reduction in health inequalities.
- 3.44 The service works in partnership with local agencies and community groups to ensure the provision of a broad range of sport, play and physical activity opportunities across the Borough.
- 3.45 Some key headline user/customer data outlined in more detail in Appendix 3 shows that during the summer programme in 2010-11
- 2,887 children attended play-zone sessions
  - 3,035 children attended play ranger sessions.
  - 1,480 children attended the 2010 Summer of Sport during a 5 week period
- 3.46 In addition, community based exercise classes and volunteer-led health walks attract 150 attendances per week and a series of large scale Play Events during the year attracted 1,000+ people.

### **Grants to third parties**

- 3.47 The Council also provides a number of direct grants to cultural organisations including Cheltenham Arts Council, Holst Birthplace Trust, Everyman Theatre, Playhouse Theatre and Festival of Performing Arts. Direct grants totalled £371K (2011-12) with a further in-kind support of £138K to Cheltenham Festivals.

### **Public Perception of Leisure and Culture Services**

#### **2011-12 Budget Consultation**

- 3.48 The public were asked, as part of the 2011-12 budget consultation to rank the services provided by the Council according to whether they should be protected, reduced or stopped. Whilst not a scientific or statistically reliable survey, the public had an opportunity to “have their say” more directly and in a much more accessible way than in previous years.
- 3.49 Leisure@ and outdoor sports facilities, playing fields and play areas appeared in the top 5 services to protect, together with the grant to Cheltenham Festivals. The Town Hall (delivering Cheltenham Festivals and concerts), was ranked 9<sup>th</sup> with PPR (delivering Cheltenham Festivals, weddings and conferences) being ranked 22. The AG&M and exhibitions and out-reach work ranked as 28<sup>th</sup> out of a total of 57 services being consulted upon.

#### **Place Survey 2008**

- 3.50 The Place Survey 2008 showed that satisfaction with the Council’s museums and galleries (62%) and theatres (76%) were significantly higher in Cheltenham than elsewhere in Gloucestershire with both being rated in the top 10 in the country.

## **Tourism and Market Strategy**

- 3.51 The retail and business community were consulted as part of the production of the strategy. The cultural offer was considered as being one of the town's key strengths and key to its future economic prosperity in terms of investment and as a visitor attraction.

## **Summary**

- 3.52 Cheltenham's leisure and culture offer is rich and diverse. Strategically and corporately, arts, leisure and culture is a key priority and is one of the Council's principle objectives. Leisure and culture is seen as not having an end in itself, rather a catalyst for social, economic and community development and improvement within the town.
- 3.53 Current service provision works well and is popular. Public subsidy has reduced by £573,200 over the period 2007-08 to 2011-12. In terms of net operating subsidy by venue/service ranking from highest to lowest is (1) AG&M (including Tourism and TIC), (2) Leisure@, (3) Town Hall and Pittville Pump Room and (4) Sport, Play and Healthy Lifestyles.
- 3.54 Public perception of the services importance has shown that the public regard Leisure@ and Cheltenham Festivals very highly and gave the Council a clear steer when consulting on a difficult financial challenge to set the 2011-12 budget. The value of the Town Hall and PPR as venues was also recognised as important. The ranking of the AG&M may be reflective of the very fact that it does need that capital investment to redevelop its offer and so raise its standing in the public perception.

## 4 Cheltenham's Leisure and Culture Offer

### Introduction

- 4.1 People in Cheltenham are well-served by a wide-range of leisure and recreation facilities provided by the Council, by not-for-profit organisations or by the commercial sector.
- 4.2 When considering commissioning leisure and culture outcomes it is important to understand how the current provision fits not only into the Cheltenham "offer", but also possibly the wider offer within Gloucestershire. Not to identify, understand and acknowledge significant linkages and relationships with the wider offer could result in commissioning decisions which have unintended impacts.
- 4.3 Whilst recognising this report is presenting the **preliminary analysis stage**, it will be making recommendations for next steps. The background research presented here, admittedly high level, will need to be more thoroughly understood moving forward.

### Art Gallery and Museum

- 4.4 The AG&M operates within a context of a range of other galleries including the Gardens Gallery (which is supported by the Council) and a number of private galleries which offer art-work for sale. The Holst Museum, which again the Council supports, is dedicated to show-casing the life and work of the famous composer.
- 4.5 There is a very real sense that the AG&M complements the other provision in the town by creating and supporting a thriving network of artists and stimulating interest and a market in art. This complementary activity is probably most evident through the very popular AG&M out-reach work and furthermore in the objectives of the re-development scheme to increase exhibition space as well as reach audiences who do not traditionally take part in the arts.
- 4.6 Important linkages already exist with the University of Gloucestershire and these are being reinforced through the development scheme as is the intention to work with the Gloucestershire Guild of Craftsmen. Both these important relationships will be crucial to ensure the long-term sustainability of the cultural offer.
- 4.7 The Borough also boasts a thriving community of independent artists as well as a considerable amount of voluntary sector activity, under the umbrella of Cheltenham Arts Council. This voluntary sector activity not only creates wider social and community benefit; recognising a need, stepping in and plugging the gap, but also will be able to operate in a way that is not possible, either from a financial or operational standpoint, for the traditional public sector.
- 4.8 Outside Cheltenham a number of museum services are provided (Appendix 4) eg, Corinium Museum in Cirencester, Gloucester Museum and Art Gallery, Museum in the Park in Stroud. When considering alternative delivery arrangements it should be remembered that there may be an opportunity to commission with others.



## Town Hall and Pittville Pump Room

- 4.9 The Town Hall and Pittville Pump Room operates in the context of other entertainment and conference venues including;
- **Everyman Theatre** - a fully functioning professional theatre with a 682 seat main auditorium and the 66 seat Everyman Studio Theatre. The venue includes a café, bar, Matchams Restaurant and the Langtry Room function space.
  - **Playhouse Theatre** – an amateur theatre seating approximately 200
  - **Bacon Theatre** – state of the art facilities seating 566. Also on site 120 seat Prince Michael Hall and Tuckwell Amphitheatre
  - **Parabola Arts Centre** – world class facility with a 328 seat theatre. Operating primarily as a space for Cheltenham Ladies College drama, music and art departments, but also hosts local arts organisations and hired by local businesses
  - **Centaur** – state of the art conference, exhibition and conference facility. Seats 2,250, 4,000 standing or 1,100 sitting down to dinner. The facility has a state of the art lighting and sound system plus a large reception area for drinks.
- 4.10 In addition to these concert and entertainment venues Cheltenham has a wide-range of pubs, clubs and hotels. The council's venues could, therefore, be considered to be competing against other not-for-profit and commercial venues. The size of venues and supporting facilities – in particular their quality - will be key determining factors in arriving at whether there is direct competition between venues. In reality, the Town Hall cannot compete, financially, for example against the Centaur for some nationally recognised artistes because of the size of its concert hall and the sound and lighting system available.
- 4.11 In looking forward the Town Hall and PPR management considers the civil ceremony market, eg, weddings, and also conferences as its target growth markets. This is not an easy market in which to operate and there are a number of competitors including several hotels in Cheltenham and beyond that are competing for the same trade. The Town Hall markets itself as Gloucestershire's largest entertainment venue with the Pump Room Cheltenham's number one tourist destination.

## Cheltenham's Festivals

- 4.12 Cheltenham Festivals provides four international festivals; Jazz, Science, Music and Literature. The Town Hall and Pittville Pump Room promotes the annual Folk Festival, Ballroom Dance Festival and Comedy Festival. The venue also plays host to several independent festivals such as Cheltenham Festival of the Performing Arts, Ukulele Festival, Guitar Festival and Cheltenham Festivals four international offerings of Music, Literature, Science and Jazz. The venue also sells tickets for amongst others, Wychwood, Greenbelt, Food and Drink, and the Film Festival.
- 4.13 Cheltenham Town Hall puts on the Folk Festival and is the base for the independent Cheltenham Festival of Performing Arts. These more established festivals are now complemented by an emerging comedy festival, a film festival, a food and drink festival, a ukulele festival and a ballroom festival.

- 4.14 The proximity of the Town Hall to the Imperial Gardens is important in that it provides a focus for the festivals. Whilst it is recognised that from demographic information the festivals do not have a “uniform” reach to all socio-economic groups, the contribution the festivals make to the economic prosperity of the town is well recognised. However, festivals also provide a platform for new talent to emerge, an opportunity to bring in new audiences, which ultimately may directly benefit the Town Hall and PPR through independent appearances at these venues.

### **Cheltenham Racecourse**

- 4.15 Cheltenham Racecourse has 16 days of horse racing spread over 8 fixtures each season including the internationally famous Gold Cup Festival in March. The racecourse also accommodates the Wychwood and Greenbelt Festivals bringing many thousands of people to Cheltenham. As with Cheltenham Festivals the contribution that Cheltenham Racecourse makes to the economic prosperity of the town is well recognised making a significant contribution to the £34M reported by Comedia. The racecourse and racing festivals also emphasise the wider leisure and recreation offering and the “festival town” image.

### **Leisure@**

- 4.16 Leisure@ operates in the context of the following, profit and not-for-profit, provision within Cheltenham:
- Swimming pools: 1 not-for profit outdoor heated pool open April to October (Sandford lido), 4 school-based pools with limited public access (Cheltenham Ladies College, Dean Close, Cheltenham College, Bettridge School) and five private pools in gyms and hotels.
  - Fitness suites: 1 not-for profit gym (YMCA), 6 school-based gyms with public access and 13 gyms in the private sector.
  - Sports Halls: 1 not-for profit sports hall (YMCA), 8 school-based sports halls with public access
  - 5 a-side football: 5 school-based pitches with public access.
- 4.17 Given the level of competition from all sectors and across all forms of provision the council has to provide quality services and good value for money. However, the range of facilities on offer does make the membership of Leisure@ attractive. A range of subscription schemes or packages are on offer and used by 3,900 subscribers of which 1,400 are gym memberships.

### **Sport, Play and Healthy Lifestyles**

- 4.18 In terms of play-schemes, the council is providing services in a competitive market though admittedly not as crowded a market as that for leisure.
- 4.19 There are two commercial providers of holiday play-schemes; Kings Camps that runs from Cheltenham College and Super Camps that runs from Dean Close. Both charge around £36 per day though discounts are available for multiple-bookings.
- 4.20 The Council holiday play-schemes charge £14 for a full day and £3 for a shorter day. The charge per day is extremely competitive and would appear

to be making an explicit statement about providing affordable and accessible child-care during the school holidays. The shorter day drop in play-schemes are more heavily subsidized in recognition of the needs of low income families living in the targeted areas that the play-schemes operate in.

### **Cheltenham Rugby Club**

- 4.21 Cheltenham Rugby Club dates from 1889. In 1981 the club took a lease from the Council at the Prince of Wales stadium, where they still have a lease. In 2007, the club purchased the former Smiths sports and social club and the re-named Newlands Park provides training facilities, playing pitches plus a range of community and sporting facilities for hire. Their senior matches are played at the Prince of Wales Stadium due to national league requirements for stadia facilities which are not available at Newlands Park.

### **Cheltenham Town Football Club**

- 4.22 Cheltenham Town Football Club has been playing in the football league following their promotion from the football conference in 1999. Their ground is leased from Cheltenham Borough Council on a 99 year lease (with 94 years left) and has a capacity of 7,200.

### **Summary**

- 4.23 Considering the future, it is important to recognise that the Council's provision does not sit in isolation from a wider Cheltenham "offer". Understanding the "fit/relationship" between the offers is important to create a commissioning strategy which is not narrowly focussed, but is complementary. The strategy also needs to pay sufficient regard to the wider social, economic and community benefits of leisure and culture to the town.
- 4.24 If outcomes are too narrowly focussed, and the relationship with the wider offer not recognised, then important relationships and interdependencies may be overlooked to the detriment of wider social, economic and community outcomes.
- 4.25 Commissioning always presents opportunities to; (1) commission or (2) de-commission. The assessment of the current market offer may indicate that it is already developed to such an extent that it is not cost-effective or beneficial in other ways for the Council to remain in that market. Therefore, the appropriate decision may be to de-commission and let the market fill any residual gap.
- 4.26 Conversely, understanding the wider offer may identify gaps thus revealing a new market. In such a case it may be appropriate to work with others to develop that market and this maybe a particular area where the voluntary and community sector have a key role to play.

## 5 Alternative Delivery Arrangements

### Introduction

- 5.1 The Council has a track record of creating or supporting the creation, eg, by way of grant, alternative delivery arrangements, eg, Sandford Lido, Cheltenham Festivals, Playhouse Theatre, Holst Museum, and Everyman Theatre.
- 5.2 At a national level, the arts, sport and leisure sector have become increasingly engaged with and reliant on the voluntary, private and partnership sector to deliver and sustain the level of provision that has in the past traditionally been a local authority domain.
- 5.3 Commissioning leisure and culture outcomes, through alternative delivery arrangements, might be an option for the Council to consider moving forward. When compiling this research the focus has been to provide a summary of the Gloucestershire provision as well as considering some other national examples. The research has also considered evidence where alternative delivery arrangements have performed less well, become financially insolvent or failed.

### Alternative Delivery Arrangements

- 5.4 Not unexpectedly, a mixture of delivery arrangements exists within Gloucestershire for leisure and culture provision (Appendix 4). Whilst the majority of leisure centres, theatres, galleries and entertainment venues are operated in house, a number of cultural facilities are now being operated through private management contractors, trusts and charitable organisations.
- 5.5 Of the case studies analysed both locally and nationally there is evidence of improvement in the service standards and user/footfall numbers. However, direct comparisons with the Council's services must be treated with caution. Facilities will not be exactly the same and the baseline position needs to be understood in order to be able to make a direct comparison. The examples are however of interest because they do indicate a direction of travel in terms of service performance and cost reduction – but that is all.

### Leisure

- 5.6 Aspire Trust (Gloucester) increased total users by 70,000+, gym membership increased by 250 members, over 60s swimming showed a 25% increase in new swimmers with a 42% increase in under 16's swimming (29% from deprived areas of the city). Operating subsidy per user has reduced from £1.75 per user to £1.58 per user.
- 5.7 Sandford Lido Trust has demonstrated growth of 51,000 average seasonable attendances since becoming a Trust and Cheltenham Festivals has seen a substantial increase in ticket sales.
- 5.8 Moving away from Gloucestershire there are several examples of alternative delivery arrangements for leisure provision which have allowed Councils to reduce their subsidies or invest in improved facilities.

- 5.9 There remains an established market for commercial management of leisure centres which has grown significantly over recent years. The Leisure Management Contractors Association represents a number of commercial operators including DC Leisure, Serco Leisure and Active Nation (previously Community Leisure), who collectively operate more than 300 facilities, employing over 20,000 staff on behalf of more than 100 clients.
- 5.10 Rapidly catching up with the commercial sector is the not for profit sector, with 40% of leisure facilities in England now being operated through leisure trusts, with more than 120 in existence. This figure alone highlights the growth of the leisure trust market and hints at the financial benefits of operating leisure facilities through trusts – largely, but not solely, as a result of business rate savings afforded to trusts and not for profit organisations.
- 5.11 The theatre and entertainment venue market is significantly less developed with only a small number of companies providing commercial management of facilities. The two most established companies within this market are the Ambassador Theatre Group (25 theatres) and HQ Theatres (8 theatres).

### **Museums and Galleries**

- 5.12 The Museums, Libraries and Archives (MLA) has advocated for local authorities to consider alternative management arrangements as a means of improving and sustaining cultural service delivery in the context of a market driven by greater user expectation, more choice, and greater demand for accessibility – with less resource.
- 5.13 The MLA recognises that the services that will thrive in this environment are those that are able to “re-vision” and “re-think” their service delivery model, traditional working structures and partnerships. A number of profit and not-for-profit models exist, eg, York Museum Trust, Museum of East Anglian Life, Chatham Historic Dockyard. Not dissimilar to the Council’s own AG&M a number also have a wider social, economic and community cohesion agenda. These objectives are in no way secondary activities to a primary purpose but intrinsic to it.

### **Failure as Well as Success**

- 5.14 Recognising that, in pursuing alternative delivery arrangements, success is not always the outcome has been important. It is not possible from the evidence available to be absolutely clear as to the root cause of any failure; however, it does drive home the fact that decisions will be complex, and need to be based on a well thought through business case and justification.
- 5.15 Examples where alternative delivery arrangements have not been successful include:
- A leisure trust with a deficit of £500K in the first year of a 5 year contract. The council concerned was forced to terminate the contract and transfer the service and jobs to another trust.
  - A district council had to write off £1.2M and terminate a trust in 2004 after amassing significant debts since its formation. The trust sought to increase the management fee to a level which the Council could not support.

- A district council's leisure centre has been operated by a private sector company since 1988 with varied performance over the length of the contract leading to poor performance and increased customer complaints.

### **The Financial Case for Alternative Delivery Models**

- 5.16 The research has provided evidence that alternative delivery arrangements do exist to deliver the outcomes for leisure and culture. One of the main drivers identified for the adoption of trust status is the apparent financial benefit, eg, non-domestic rate savings, and possibly VAT advantages. Pension implications must also be considered, both positive and negative. Whilst acknowledging that financial incentives exist each case is individual. It is not possible, nor indeed wise, to generalise or speculate on savings at this time. Any approach to the assessment of options will be well considered and robust and this will include financial benefits.

### **Summary**

- 5.17 The Council has a track record of creating or supporting the creation of alternative delivery arrangements.
- 5.18 Locally in Gloucestershire there is experience of delivering leisure and culture outcomes through alternative delivery arrangements. Nationally the not for profit sector is catching up with the commercial providers in the leisure sector. Currently the entertainments sector is less well provided for and the MLA has advocated alternative management structures to deliver a sustainable future for cultural services.
- 5.19 Research has also concluded that there are successes as well as failures and any decision to adopt a different operating model requires a robust assessment and business case.
- 5.20 This section concludes the research part of this report.

## 6 From Needs Assessment to Defining Outcomes – The Current Model Exercise

### Introduction

- 6.1 To answer (2) “*what we want to do?*” requires outcomes to be defined which are based on a “needs assessment”. This section explains the process of creating outcomes for Leisure and Culture – “from needs assessment to defining outcomes”.
- 6.2 The outcomes are very important because they are central to answering the question whether the current delivery arrangements can deliver the necessary outcomes but within a very challenging financial framework.
- 6.3 The outcomes were also considered in the context of the Council’s corporate objectives and how the outcomes described satisfied this requirement.

### Needs Analysis

- 6.4 To support the commissioning exercise two needs analyses documents were produced, one for healthy lifestyles and one for culture. The needs analyses are a way of estimating the nature and extent of the needs of the community so that services can be planned accordingly. This will help commissioners and providers focus effort and resources where they are needed most.
- 6.5 The needs analysis is only a start; it will need refining in consultation with others to enable it to be used in a way to work together to deliver better outcomes for local people.

### Healthy Lifestyles Needs – Summary

- 6.6 The detailed analysis of healthy lifestyle needs highlighted the following key areas:

#### Total Approach to Healthcare

- 6.7 Demands on health services will increase significantly in the future. Cheltenham already has an ageing population with 21.7% of people aged 60 or over but this figure is predicted to increase to 29% by 2033, an increase of over 12,000 people. This growth is at the expense of younger people where there is a predicted decline in overall numbers. 17,115 people in Cheltenham have a long term illness, 3,400 children live in poverty. **Outcomes need to consider** seeking to ease demand through a preventative approach that works in particular with groups who are more vulnerable to poor health.

#### Demographics

- 6.8 Activity rates decline as people get older. **Outcomes need to consider** delivering activities that older people enjoy and that either encourage better transport provision or provide community based leisure activities.

#### Dealing with Risks to Good Health

- 6.9 Risks to good health include smoking, alcohol, obesity, etc. **Outcomes need to consider** how to collaborate with health colleagues through preventative

work which is a key element of the NHS community services approach to total healthcare.

#### **Making Provision More Accessible**

- 6.10 Research shows that to drive up overall health outcomes investment in activities that target females and people in lower socio-economic groups is necessary. **Outcomes need to consider** accommodating the particular requirements of these groups, such as, longer opening hours, help with childcare and more social opportunities to increase participation.

#### **Responding to Demand**

- 6.11 Demand for sporting and recreation activities is on the increase with Cheltenham residents being significantly more active than the national or regional averages. For example, participation rates for swimming and athletics. **Outcomes need to consider** seeking to widen interest and participation in a broad range of sporting activities.

#### **Culture Needs – Summary**

- 6.12 The detailed analysis of cultural needs highlighted the following key areas:

##### **Demographics**

- 6.13 Cheltenham is relatively affluent in terms of its GVA and its income levels (which are both around 15% above the county average). Audience profiles are skewed towards the more cash-rich and time-rich. **Outcomes need to consider** the balance to be struck between maximising income for providers with the wider benefits that a rich, varied and vibrant cultural scene can bring to a general feel of “well-being” with our lives.

##### **Participation Demand**

- 6.14 National studies show that people from BME groups, single males, and social housing tenants are less likely to take part or access cultural events/activities. **Outcomes need to consider** how the latent demand for arts and culture might be tapped into and how better to “reach out” to those not traditionally taking part.

#### **From Needs Analysis to Defining Target Groups**

- 6.15 The needs analysis provides a picture of the groups that are already participating in line with expectations and those groups that are under-represented (Table L).



<b>Table L – Target Group Participation</b>		
<b>✓ = In Line with Expectations      X = Under-Represented</b>		
<b>Group</b>	<b>Leisure</b>	<b>Arts &amp; Culture</b>
Older People	X	✓
Families	✓	✓
Children and Young People	✓	✓
People from Upper Socio-Economic Groups	✓	✓
Disabled People	X	X
People with Mental Ill-Health	X	X
BME Groups	X	X
People from Lower Socio-Economic Groups	X	X
Males	✓	X
Females	X	✓
Social Housing Tenants	X	X
People Living in areas of multiple deprivation	X	X

Source: "Report on the healthy lifestyles needs of the local community and associated outcomes" – Cheltenham Borough Council 2011

### **From Defining Target Groups to Defining Outcomes**

- 6.16 The combination of the needs analysis and the target group participation data formed the basis of the creation of outcomes for leisure and culture.
- 6.17 Given the level of subsidy going into the Town Hall and Pittville Pump Room and the nature of the service, the project group agreed that there should be just two outcomes and that these should be ensuring access to a diverse range of entertainments and activities whilst reducing the level of subsidy. The group felt that this approach would encourage innovation in terms of the entertainments programme.
- 6.18 The crafting of meaningful outcomes for the more complex areas of Leisure and SP&HL has been one of the lessons learned during the review. The outcomes originally sought to try to encapsulate what might be described as the "quality of life" impacts of a healthy and active lifestyle. For example, "strengthened family relationships", "improved emotional health and well-being", "older people are able to live at home longer", "increased well-being and self-esteem", etc.
- 6.19 Service providers made two observations on the outcomes. Firstly, they felt the outcomes needed to describe more precisely what they actually delivered. This is not to say that those "quality of life" factors are not important but they are influenced by many factors outside the control of the services.
- 6.20 Secondly, that outcomes should be described as primary and secondary and Leisure@ and SP&HL should share the same outcomes. The relationship between the two services is very strong and they in fact already work closely together and share some of the same customer base.

## Outcomes for Leisure and Culture

- 6.21 In consultation with service providers the commissioning outcomes for Leisure and Culture were agreed as shown in Tables M and N.

<b>Table M – Town Hall and Pittville Pump Room</b>
<b>Primary Outcome</b> – People have access to a diverse range of entertainments and activities
<b>Supporting Outcome:</b>
<ul style="list-style-type: none"> <li>• The outcomes are delivered with minimal call on Council funding</li> </ul>

<b>Table N – Leisure@ and Sport, Play and Healthy Lifestyles</b>
<b>Primary Outcome</b> – People are physically, socially and mentally active and enjoy life to the full
<b>Supporting Outcomes:</b>
<ul style="list-style-type: none"> <li>• People are healthy and physically active</li> <li>• People enjoy new experiences whilst learning valuable skills and knowledge</li> <li>• Children and young people have active and healthy lifestyles by participating in positive leisure activities</li> <li>• People from all backgrounds can access the services at affordable prices</li> <li>• Families are able to be together to enjoy a range of fun leisure activities</li> </ul>

- 6.22 The outcomes are used in the Current Model Exercise explained in Section 7.

### Art Gallery and Museum – Outcomes

- 6.23 The HLF grant will be monitored against a set of outcomes, many of which relate back to “physical” characteristics of the re-development, eg, *design and build a new extension, refurbish to the highest standards, create a new picture gallery, provide flexible and temporary exhibition galleries, provide a new integral pedestrian link running between Clarence Street and Chester Walk, etc, etc.*
- 6.24 The HLF measures of success also include outputs such as; *more people are engaged in heritage, more diverse audiences are reached, more people are engaged in training etc.*
- 6.25 The outcomes and measures of success are non-negotiable and have to be met to satisfy the HLF. This does not mean that these conflict in any way with the outcomes that may have been created if the HLF bid had not existed.
- 6.26 Moving forward, however, it will be critical to consult on those measures of success important to the re-development and how these might be achieved taking account of needs and participation. This will most likely result in a set of supporting outcomes for the AG&M which describe the benefits for people.

## Summary

- 6.27 The needs analysis has identified some key issues for commissioners to consider. For example, being mindful of how leisure and culture fits into the total approach to healthcare, the issues that demographics raises in terms of accessing future service as well as design, increasing participation by being aware of factors which may place limitations on people to take part.
- 6.28 Moving from needs analysis to considering target groups provides a picture of certain groups not participating to the expected level, eg, disabled people, people with mental ill-health, people living in less affluent neighbourhoods. The question for commissioning is how to ensure, or whether it is indeed possible, to create opportunities so that everyone who wishes to can take part.
- 6.29 Crafting meaningful outcomes is challenging of itself. It is important to listen and be flexible and work closely with service providers; they are the experts in service delivery.

## 7 Current Model Exercise Assessment and Recommendations

### Introduction

- 7.1 The objective of the Current Model Exercise is to:
- **Assess the current service delivery arrangements in their ability to deliver an agreed set of outcomes within a challenging financial framework**
- 7.2 In their responses service providers were asked to:
- Identify **new proposals** which would support the outcomes whilst reducing the level of current expenditure
  - Describe the **service outputs** eg attendance levels, footfall levels by demographic activity, activity attendances, participation from key groups
  - Describe the **outcomes for individuals** eg, increased participation in sport, increased health awareness, reduced risk of debilitating conditions
  - Describe the **principles for service delivery** eg, quality of venues, spaces, level of out-reach activity, equality of access, partnership working, volunteering opportunities.
- 7.3 Service providers were also asked to explain how outcomes would make a positive contribution to **sustainable development**, how outcomes had been **equality impact assessed** and any **constraints** that they believed prevented them from delivering the outcomes.
- 7.4 In assessing the evidence the 2 following criteria were tested:
- (1) Whether the current delivery arrangements can deliver new proposals, which reduce cost, but do not undermine the outcomes being sought; and
- (2) Whether the service provision direction of travel assessment is satisfactory from the standpoint of improving service outputs (eg, footfall, attendances), direct outcomes for people (eg, improved health), service delivery principles (eg, quality of venues, out-reach work, volunteering) sustainability impact (eg, environmental considerations) and finally equality impact (eg access for all).
- 7.5 The above 2 criteria are tested as follows:
- **Risk Assessment** to confirm that **new proposals**, with the aim of reducing the current level of expenditure, do not undermine the outcomes being sought
  - **Service Provision Direction of Travel Assessment** covering service outputs, direct outcomes for people, service delivery principles, sustainability impact and equality impact
- 7.6 Whilst the AG&M did not complete the assessment process, recommendations for next steps are referred to later in this section.

## General Observations following the Assessment Process and Relevant Recommendations

### Review Prioritisation

- 7.7 The Leisure and Culture review has presented difficulties in terms of capacity to support, ie, breadth of services within the scope of the review. As this has been a preliminary assessment on the current delivery arrangements, recommendations presented do not fully answer the question “*how to best deliver the outcomes*”. The recommendations do, however, provide a way of moving forward where progress can be made on all fronts but being clear about the priority for further intensive and targeted work (Section8) the milestones for the next steps.

### Achievement of Financial Target

- 7.8 Perhaps not surprisingly, service providers were unable to identify how they could deliver the target £690K savings by 2013-14. However, a contribution of £214,026 over 2 years has been identified through this preliminary analysis phase.

### Future Proofing and Service Delivery Constraints

- 7.9 At a “future-proofing” event the Leisure and Culture management teams started to test – future proof – the current service delivery arrangements. Therefore, if the Council was delivering the services in the future what organisational characteristics would it need.
- 7.10 For example, a culture of innovation versus tried and tested methods, flexibility to respond versus tightly defined policies, etc. Service providers have identified constraints which they believe mean they are less able to operate effectively to deliver the outcomes. These constraints are yet to be discussed in detail with service providers. This is a piece of outstanding work. However, it will be completed because it will be important to inform thoughts on alternative delivery arrangements, be they within the Council or outside.

### 7.11 Systems Thinking

Systems thinking “check” phase is being factored in to all strategic commissioning reviews as part of the analysis phase. It is important that the Council identifies early on any efficiency gain that may be possible as any savings will be a direct saving to the Council.

“Check” phase has been completed at Leisure@ and is due to start over the summer at the Town Hall and PPR. Check phase at Leisure@ has identified “waste” in the operational/administrative systems. It is not yet clear whether further cashable savings for Leisure@, beyond those identified in this report can be delivered as a result of systems thinking. Service provider management is currently reviewing the check phase results.

### Engagement and Consultation

- 7.12 This preliminary needs analysis, having concentrated on looking at the current service provision has not engaged more widely with local partners, and key stakeholders including the voluntary and community sector, Local Strategic Partnership and Health and Well-Being Partnership. There is now a

real necessity to bring them up to date with the review work so far, the direction of travel and proposed priorities for further work (Section 9).

**Recommendation:**

- 7.13 Engage with local partners and stakeholders, including the voluntary and community sector, Local Strategic Partnership and Health and Well-Being Partnership to bring them up to date with the review so far on the direction of travel, priorities for further work and outcomes for consult on the currently proposed outcomes for leisure and culture

**Joint Strategic Cultural Plan**

- 7.14 Section 2.7 referred to recommendations of the Joint Overview and Scrutiny Festivals Working Group (December 2010) and to the preparation of a “joint strategic cultural plan for the town”. It is important to recognise that this commissioning review will not be producing a cultural plan for the town but would very much welcome being closely involved with future work of the Group to produce such a plan. A number of desires, eg, future investment in the Town Hall, have been expressed in this report. Therefore the opportunity to contribute to, and be engaged in, the development of a Joint Strategic Cultural Plan is to be welcomed.

**Recommendation:**

In developing a joint strategic cultural plan for Cheltenham as part of the corporate and community planning process, ensure that there is alignment with the outcomes commissioned through this review.

**Art Gallery and Museum – Observations and Next Steps**

- 7.15 Whilst the current trend, post CSR, appears to be public sector direct funding disinvestment in museums and galleries, this is not the case for Cheltenham. The support and commitment to the re-development of the AG&M, which houses one of the country’s national collections, is clear and unequivocal.
- 7.16 One of the trends now being seen nationally is a move towards alternative delivery arrangements (Section 5) for the provision of museum and gallery outcomes. This drive is supported by one of the sectors most respected organisations, the MLA.
- 7.17 The AG&M has delivered savings of £156Kpa between 2007-08 and 2011-12 (Table B). The AG&M has the highest operating subsidy of the services in scope - £799,550 (Table A). Whilst acknowledging it is planned this will reduce by a further £50K on re-opening in 2013, this is still a significant level of ongoing public subsidy moving forward.
- 7.18 Public perception through the budget consultation process (Section 3) showed that the AG&M is well regarded but not seen as much as a priority as other things the Council does, eg, Leisure@, Cheltenham Festivals. This public perception may be confirmatory of the very fact that the AG&M needs the capital investment to redevelop its offer and so raise its standing in the public’s mind.
- 7.19 AG&M supports the needs assessment in terms of the **demographic need** and the **participation demand need**. In terms of the demographic need it

has the potential through the re-development to create a vibrant cultural scene, especially with the vision for the AG&M as part of a cultural quarter. Similarly, the AG&M could be a catalyst for bringing in those people who do not currently see the arts and culture scene as something for them.

- 7.20 The HLF measures of success relate not to just increasing direct participation in the arts and culture but wider economic and social “big society” outcomes through volunteering opportunities, engagement in training, etc.
- 7.21 A further measure of success is to work with cultural partners and providers to ensure the long-term sustainability of Cheltenham’s cultural offer. This outcome is set against a backdrop of reducing revenue budgets.
- 7.22 The aims of the Cheltenham Art Gallery & Museum Development Trust (CAG&MDT) are not just to assist in raising funds for the redevelopment – and it is acknowledged here that they have been extremely successful in this endeavour. The aims of CAG&MDT are also to safeguard both the financial management of the project and **ensure its subsequent viability**.
- 7.23 It is this final point which is important as the Council moves forward with the re-development scheme. In terms of timing, the re-development presents a unique and timely opportunity to conduct an assessment of the alternative delivery arrangements for the AG&M to deliver the outcomes required by the Council, partners, key stakeholders, the public as well as the HLF.
- 7.24 Regardless of whether the Council was undertaking a commissioning review of Leisure and Culture this would be the time to look at the best way of operating the AG&M post re-opening, even if that operation is found to be through current delivery arrangements.
- 7.25 It is important to state that any assessment of alternative delivery models for the AG&M must involve engagement with key stakeholders, including the CAG&MDT and Friends of Cheltenham Museum. The objective of the assessment being, aligned to the current aims of CAG&MDT, ie, to secure the future viability and sustainability of one Cheltenham’s most significant cultural assets.
- 7.26 It is also absolutely recognised that any assessment process must not slow down or interfere with the re-development scheme timetable and progress.
- 7.27 In undertaking any assessment it will be necessary to report back to Cabinet on the outcome of the initial options appraisal. It is recognised that any options presented must be mindful of the need to reduce the ongoing operating subsidy of the AG&M and have an eye to the re-opening date of April 2013.

### **Art Gallery and Museum Recommendations**

- 7.28 **Undertake an option appraisal of the alternative delivery arrangements for the AG&M, as compared to the status quo and, by April 2012, present a business case which recommends the most appropriate option that:**
- **Delivers the outcomes and measures of success required by the Heritage Lottery Fund**

- **Meets the requirements of the HLF special conditions and any other funders**
  - **Creates an opportunity to secure wider economic and creative growth as well as the regeneration potential that a cultural quarter presents for the town**
  - **Reduces the ongoing AG&M operational subsidy (based on an appropriate business case)**
- 7.29 **As part of the appraisal process work with all relevant partners and stakeholders to ensure that options and outcomes are fully identified, assessed and consulted upon.**

### **Town Hall and Pittville Pump Room Current Model Assessment Outcome**

- 7.30 **New proposals** submitted by the **Town Hall and PPR:**
- To secure permissions to hold weddings at the Town Hall and maximise the number of weddings at the PPR:
  - To increase the amount of corporate business
  - To explore the potential for charging for time and expertise in helping others with their event
  - To explore more commercial events and activities at both venues.
- 7.31 The new proposals are estimated to deliver a modest income growth of £10Kpa from 2012-13. These proposals are not included in the MTFS, do not require capital investment. Proposals originally submitted delivered £78Kpa, and included changes related to the catering operation, however, concerns over their feasibility were raised with the service provider. It is appreciated however that a decision on the catering operation needs to be made in the foreseeable future.

### **Risk Assessment of New Proposals – Town Hall & Pittville Pump Room**

- 7.32 Appendix 5 provides a **risk assessment of the impact of the new proposals** on the outcomes for the Town Hall and PPR. The risk assessment demonstrates that the new proposals can be implemented with minimal detriment to the delivery of positive outcomes for the community. The only negative is the proposal to charge community groups for time and expertise which may impact on the number of local events at the venues. Service providers should be alert to this possibility and monitor accordingly.

### **Service Provision Direction of Travel Assessment – Town Hall and Pittville Pump Room**

- 7.33 Appendix 2 provides a **service provision direction of travel assessment** showing how the service provider submissions would support or undermine the key characteristics of how the Council would wish to see services delivered.
- 7.34 The outcome of the assessment is that the direction of travel is acceptable. The proposals will in general support greater service outputs through



increasing attendances and are acceptable in all other respects. There is potentially some missed opportunity to increase energy efficiency at the Town Hall which with subsequent benefit on reduced running costs as well as impacting positively on sustainability objectives.

### **Town Hall and Pittville Pump Room – Current Model Exercise Conclusions**

- 7.35 The **risk assessment of new proposals** and **service direction of travel assessments** are satisfactory. The new proposals do not require capital investment, delivering modest income growth from corporate business. Therefore proposals to deliver £10Kpa additional revenue (2012-13) are assessed as deliverable.
- 7.36 The Town Hall and PPR were also given the added challenge to deliver the agreed outcomes *“with minimal call on Council funding”* (Table M). The providers’ submission confirms that it would not have been possible to deliver this financial target in the short-term without significant adverse impact on the agreed outcomes.
- 7.37 It is acknowledged that total savings of £78Kpa were originally submitted requiring a review of the catering operation. However, this has not been put forward at this time. There remains an outstanding question over whether the proposed savings could be achieved. This outstanding issue is important as a *“further review of the existing Town Hall catering arrangements to ensure greater flexibility of use by Cheltenham Festivals”* was a recommendation of the Joint O&S Festivals Working Group.
- 7.38 In terms of strategy for the Town Hall and PPR moving forward the following observations are made. The focus for business growth is the civil ceremonies, weddings, and conference market. The Cheltenham *“offer”* (Section 4) indicates an already healthy market with ready competition for this business. If the venues are to pursue this strategy then it will be necessary for the unique selling point of the venues to be clear to differentiate them from market competitors in the eyes of the customer.
- 7.39 The Tourism and Marketing Strategy (Section 2) set expectations for business growth at the Town Hall requesting that this review *“develop a strategy for capital investment and development plan for the Town Hall”* and also *“consider the commercial feasibility of improving conference facilities”*.
- 7.40 A number of outline suggestions for developing the venues, which would require capital investment, were proposed and these are suggestions it would be useful to explore in more detail.
- 7.41 The review has confirmed what is already known and understood and that is that Cheltenham’s cultural offer is held in high regard and is an intrinsic element of what makes the town *“what it is”*. The offer is wide-ranging and includes venue based and out-reached based programmes.

## **Town Hall and Pittville Pump Room – Recommendations**

- 7.42 **Subject to agreement through the budget and Bridging the Gap processes, savings arising from additional Town Hall revenue of £10Kpa (2012-13) be accepted.**
- 7.43 **Recognising the need to balance commercial aspects with the role of functioning amenities for the community, test the outcomes for the Town Hall and Pittville Pump Room with other commercially operated public facilities by April 2012 and report back to Cabinet.**
- 7.44 **Depending on the outcome of 7.43 above investigate the potential for developing a strategy for capital investment in the venues and in particular the commercial feasibility of improving conference facilities at the Town Hall.**

## **Leisure@ and Sport, Play and Healthy Lifestyles Current Model Assessment Outcome**

- 7.45 **New Proposals submitted for Leisure@:**
- Savings through changed working practices
  - Some key target areas for growth around income streams – Membership, Children's Activities, Courses, Concession schemes
  - Price based opportunities to increase fees and charges – limited small scale above inflation increases
  - Potential partnership opportunities that could grow income streams – Education, Health, University & Student Body
- 7.46 These proposals lead to potential savings of £140K (2012-13) and a further £64K 2013-14). These proposals are not factored in to the MTFS do not require capital investment to implement or incur de-commissioning costs.
- 7.47 **New Proposals submitted for Sport, Play and Healthy Lifestyles:**
- Reduce the length of Play Ranger sessions, and operate with 3 staff instead of 4
  - Increase cost of longer Play-Zone schemes by £1 per day from £14 to £15
  - Introduce small charge for taking part in some activities at Family Events
  - Reduced expenditure of leaflet production and distribution and focus more on e-marketing.
- 7.48 Collectively, these proposals would save £7k pa (2012-13) and a further £2K (2013-14). These proposals are not factored into the MTFS and do not require investment or incur decommissioning costs to implement.
- 7.49 It should be noted that a number of suggestions for capital schemes were put forward for Leisure@ with very indicative estimates of £2.3M capital requirement. Whilst the indicative estimates suggested a reasonable payback period, ie, less than 5 years it was considered that significant further

work would be required to verify the robustness of the proposals, which will be done as part of a feasibility study being undertaken regarding these proposals.

### **Risk Assessment of New Proposals – Leisure@ and SP&HL**

- 7.50 **Appendix 5 provides a risk assessment of the impact of the new proposals** on the outcomes for Leisure@ and SP&HL.
- 7.51 In relation to **Leisure@** the risk assessment has demonstrated that the new proposals can be implemented with minimal detriment to the delivery of positive outcomes for the community. In particular the proposals strongly support the achievement of the financial framework target and generally support achievement of the other outcomes. The one possible exception is the proposed small percentage increase in entry charges. Service providers are urged to undertake some market assessment before implementing this proposal to ensure that some customers are not unfairly disadvantaged by the proposals.
- 7.52 In relation to **Sport, Play and Healthy Lifestyles** the risk assessment has shown that proposals would have a detrimental impact on the delivery of positive outcomes for the community. This is due to the size of the current budget for the service area which has seen reductions in previous years. Outcomes particularly impacted would be affordable access, ability of families to play together and children and young people being active and healthy.
- 7.53 **Service Provision Direction of Travel Assessment – Leisure@ and Sport Play and Healthy Lifestyles**
- 7.54 In relation to **Leisure@** (Appendix 1) the assessment is that the direction of travel is acceptable. The positive areas include proposals to grow membership and develop more partnership opportunities. One area for service providers to consider is the impact on sustainability from increased usage which could be mitigated by capital investment in renewable schemes, rainwater harvesting and solar heating.
- 7.55 In relation to **Sport, Play and Healthy Lifestyles** (Appendix 1) the assessment is that the direction of travel in relation to price increases, although acknowledged as small, may impact on service outputs, outcomes for people and equality of access.

### **Leisure@ and Sport, Play and Healthy Lifestyles – Current Model Exercise Conclusions**

- 7.56 The **risk assessment of new proposals and service direction of travel assessments** for Leisure@ are satisfactory. The new proposals for this venue are not factored into the MTFs, do not require capital investment and do not incur de-commissioning costs. Therefore proposals to deliver £140Kpa (2012-13) and £64Kpa (2013-14) are assessed as deliverable.
- 7.57 The **risk assessment of new proposals** for SP&HL has shown that the new proposals would have a detrimental impact on the delivery of positive outcomes. Therefore proposal to deliver £7Kpa (2012-13) are assessed as not deliverable and should not be accepted.

- 7.58 The assessment has revealed the vulnerability of the SP&HL service but has also revealed the synergy that exists between it and Leisure@ by the service providers identifying that the outcomes for both services should be the same.
- 7.59 SP&HL deliver benefits which cannot be achieved through a traditional leisure centre building. These include building community relations, via healthy lifestyle activities near the home, nurturing the future customers of Leisure@, eg, through children's out-reach programmes, using education and community facilities to deliver sporting and health related activities across the Borough. SP&HL can also provide access for those who might not feel able, or want to access activities in a large leisure centre but are keen to take part where activities are provided in say their local community facility.
- SP&HL delivery arrangement could therefore be seen as supporting a **demographic need** by providing community based leisure activities as well as potentially improving access to an **under-represented target group**, eg, females.
- 7.60 It would, therefore, rather than taking modest savings now, be beneficial to see how the SP&HL offering might be more integrated with Leisure@ to reduce its vulnerability
- 7.61 Turning to general conclusions from the review. Membership continues to grow and Leisure@ is building on its traditional role of leisure centre to a "health" hub. The growth in GP referrals is particularly impressive and plans to increase preventative health care into the facility are welcomed. Leisure@ supports the **total approach to health care need** through its service concessions to promote preventative health care to groups which are more vulnerable to poor health. Leisure@ delivery arrangement also already contributes significantly to **dealing with risks to good health need** through its GP referral programme. This latter activity is an area that should be pursued in the immediate future with a view to supporting the primary outcome and to put Leisure@ in a good place to be a provider of choice and to be commissioned by health.
- 7.62 In light of the foregoing, and seeking to prioritise next steps for the review Leisure@ is in a reasonable place to potentially make further savings in the short-term under the current operational arrangements. Therefore in considering a review of alternative delivery arrangements for Leisure@ outcomes, this should be a later activity.
- 7.63 However, a short term goal should be to begin to build knowledge and understanding of alternative delivery models through visits and discussions with other providers and commissioners in preparation for a future commissioning opportunity.

### **Leisure@ and Sport, Play and Healthy Lifestyles – Recommendations**

- 7.64 **Subject to agreement through the budget and Bridging the Gap processes, savings and income arising from Leisure@ of £140Kpa (2012-13) and £64Kpa (2013-14) be accepted.**

- 7.65 **By December 2011, explore how, within a difficult financial framework, Leisure@ and Sport, Play and Healthy Lifestyles can deliver outcomes and provide more mutual support for each other and, therefore, at this time defer the acceptance of short-term savings.**
- 7.66 **Commence discussions with the Local Strategic Partnership and NHS colleagues with a view to being best placed to act as a provider of choice for health commissioners locally for physiotherapy and activity based patient treatment pathways.**
- 7.67 **Leisure@ service providers continue to pursue additional savings/revenue income opportunities in line with the overall expectation that the operational subsidy will be reduced to a minimum within the current delivery arrangement.**
- 7.68 **Recognise that an assessment of other alternative delivery arrangements for Leisure@ and Sport, Play and Healthy Lifestyles is an ambition for the future with the AG&M work taking priority.**
- 7.69 **Working with the Cabinet Member Working Group, start the process of building knowledge and understanding of other delivery arrangements through visits and discussions with other providers and commissioners, with the objective of deciding on next steps by May 2012.**

## 8 Plan for next stage and capacity management

- 8.1 The anticipated milestones for the next stage of the project are:
- Complete consultation on the commissioning outcomes by October and ask Cabinet to agree any changes at their meeting on 8th October 2011
  - Complete the options appraisal of alternative delivery arrangements for the AG&M by April 2012 and ask Cabinet to agree recommendations at their meeting on 17<sup>th</sup> April 2012.
  - Complete the investigation of commercially run public facilities similar to the Town Hall and Pittville Pump Rooms by April 2012
  - Complete the exploration of mutual support options for Leisure@ and Sport, Play and Healthy Lifestyles by December 2011
  - Build knowledge and understanding of other delivery arrangements for Leisure@ and Sport, Play and Healthy Lifestyles and decide next steps by May 2012.
- 8.2 There is a risk that these milestones may not be achievable due to the demands of this review set alongside other corporate change projects. There are known resource conflicts in Finance, HR, Procurement and in the Leisure and Culture teams themselves which may impact this review and which are being addressed through the council's corporate resource management process.

## 9. Consultation

- 9.1 An information / discussion paper was presented to the Social and Community Overview and Scrutiny committee on 9th May 2011 and the Cabinet Member has regularly briefed the committee on the review.
- 9.2 A Cabinet Member Working Group has been formed and met for the first time on 18th May 2011. Its objectives are:
- To consider the outcomes which the council may want to commission in the context of the localism bill, the current budget situation and other factors
  - To challenge assumptions and evidence presented for the current delivery of outcomes for leisure and culture
  - To consider the opportunities for alternative delivery models
  - To consider the lessons learned from past experiences when considering future opportunities
  - To consider risk and mitigating actions to secure the future delivery of outcomes
  - To consider how best to engage with and obtain feedback from other stakeholders, eg, Health and Wellbeing Partnership, PCT, local stakeholder groups
  - To advise on how best to engage with other members including Social and Community Overview Committee

- To act as champions for the review and to use this as an opportunity to develop the member role in commissioning
- 9.3 There has been extensive involvement from the council's Leisure and Culture teams in the review so far, including:
- Identifying needs and outcomes
  - Testing needs and outcomes against anticipated societal changes
  - Planning the response of in-house services to identified needs and outcomes (the 'current model exercise')
- 9.4 Employees in the Leisure and Culture teams are briefed regularly on the progress of the review.
- 9.5 As acknowledged above, there has been little opportunity to consult with the wider community and with stakeholders outside the council so far. This is a priority for the next stage of the review as is emphasised in recommendation