



Local Government Association

cultural spending

the impact of Spending Review 2004 on
local authority spending on cultural services

executive summary





introduction

This is an executive summary of the final report by York Consulting Limited for the LGA on the impact of the 2004 Spending Review (SR 2004) on local authority spending on cultural services. The findings are based on a survey of local authorities in England (carried out May – July 2005) and a selection of short case study interviews to provide anecdotal evidence. A full copy of the report can be downloaded from the publications section of the LGA website www.lga.gov.uk.

what are cultural services?

There is no official government definition of culture. However, guidance for local cultural strategies provided by the Department for Culture, Media and Sport (DCMS) set out the following types of possible cultural services activities:

- the performing and visual arts, craft and fashion;
- media, film, television, video and language;
- museums, artefacts, archives and design;
- libraries, literature, writing and publishing;
- the built heritage, architecture, landscape and archaeology;
- sports events, facilities and development;
- parks, open spaces, wildlife habitats, water environment and countryside recreation;
- children's play, playgrounds and play activities;
- tourism, festivals and attractions; and
- informal leisure pursuits.

Many of the services provided by local authorities under the heading of cultural services are discretionary – councils have no statutory duty to provide them.



changes to the range, scale and spending on cultural services

The survey asked local authorities how they approached spending on cultural services since SR 2004, in terms of the range of services offered, the scale of activity involved and the resources invested in those services.

Around two fifths (41 per cent) of authorities have retained the same range of cultural services, with a similar number increasing their range of cultural services offered. However, in most cases the changes in the range of services offered were not viewed as significant.

More than half of local authorities (54 per cent) have increased the scale of activity in cultural services (7 per cent significantly). Around a quarter of councils (27 per cent) were maintaining the same scale of activity, while just under two fifths (18 per cent) had somewhat decreased the scale of activity.

Around two thirds of authorities reported some change in their spending on cultural services; with just over a third (35 per cent) saying they increased investment and just under two fifths (39 per cent) stating they were investing less. A quarter of authorities said that their level of investment had stayed the same.

partnership working and the private and voluntary sectors

Just under a third of local authorities (31 per cent) reported that the SR 2004 had no impact on their delivery of cultural services and 41.7 per cent said it did. Where councils said there was an impact, two key areas were identified: partnership working and the role of the private and voluntary sectors.

Nearly nine out of ten authorities (87 per cent) stated that their approaches to cultural services delivery now included greater partnership working with external partners and within the authority. This may reflect the need or desire to pull in funding from external agencies, but is also likely to reflect the general approach of councils to be more partner-orientated in service delivery.

Local authorities have increasingly sought to expand the role played by the private sector in the delivery of cultural services. Over two fifths of authorities (42 per cent) agreed that this was the case, with just over one fifth (21 per cent) not recognising this as an impact of SR 2004. Around two thirds of authorities (66 per cent) also indicated that they had sought to increase the role played by the voluntary sector in the delivery of cultural services.



what influences culture spending?

Councils were asked to indicate how significant they considered a range of factors to be in influencing their approaches to spending on cultural services since SR 2004. The following were highlighted as important issues:

- funding issues – including the demands of other statutory services, the need to make efficiency savings (Gershon), the availability of external funding, council tax strategy and the threat of capping;
- policy issues – including the views of elected members, responding to Comprehensive Performance Assessment (CPA), improving fit with strategic planning, and meeting the needs of national and regional agendas; and
- delivery issues – meeting customer demand.

the profile of cultural services

The vast majority of authorities (98 per cent) have some form of strategic statement regarding their approach to cultural services. In most cases (89 per cent of authorities) this is in the form of a discrete cultural strategy, while the remainder have a community strategy which explicitly refers to cultural services and activities.

The most common method of service delivery is through a single department, with just over two thirds of local authorities (68 per cent) using this model, rather than being dispersed across a range of departments. It is important to note that the single department model

includes a number of examples of cross-cutting departments, within which all cultural service delivery is nested, along with other services.

consultation

Nearly all local authorities (97 per cent) have consulted with service users regarding cultural services in the last 12 months. The most popular method being user surveys, which were undertaken by 84 per cent of authorities. Nearly four fifths of authorities (79 per cent) had consulted with partners and stakeholders in the last 12 months regarding cultural services.

new methods of service delivery

Half of local authorities have introduced a range of new methods of delivering cultural services in the last 12 months, with the most common being:

- the introduction of public/private partnerships by nearly a quarter of all authorities (24 per cent), reflecting a growth in partnership working and the increasing role of the private sector;
- the outsourcing of service delivery by just under one fifth of authorities (17 per cent), again reflecting the growth in the role of the private sector;
- the introduction of leisure trusts by 12 per cent of authorities; and
- the introduction of charitable trusts by 6 per cent of authorities.



the use of external funding

Just over two fifths of councils (43 per cent) said that the significance of external funding to the delivery of cultural services had become greater in the light of the 2005/06 Revenue Support Grant settlement. Just under three quarters (72 per cent) agreed that without external funding there would be a significant impact on their ability to provide cultural services at the current level.

However, authorities reported that obtaining, spending, and accounting for external funding presented considerable obstacles. Councils also noted that managing external funding streams, including performance monitoring and reporting to the funding provider, consumed officer time which might otherwise be spent on actual delivery.

factors influencing the delivery of cultural services in the future

Local authorities are facing a wide range of demands that are likely to have an impact on their future approaches to delivering cultural services:

- over four fifths of authorities (83 per cent) expect the need to make annual efficiency savings under the Gershon initiative to be a significant or very significant factor in their delivery of cultural services in the future;
- over four fifths of authorities (84 per cent) stated that the pressure to keep council tax at a low level would be a significant or very significant factor in their delivery of cultural services in the future; and

- close to three quarters of authorities (73 per cent) stated that the need to generate income from external sources was expected to be a significant or very significant factor in their future delivery plans.

future expectations of the range, scale and spending on cultural services

The survey also asked local authorities how SR 2004 might impact on the range, scale and resources invested in cultural services in the future.

Just under one fifth of authorities (19 per cent) agreed that they were likely to reduce the range of cultural services offered in the future. More than two fifths (43 per cent) said they were unlikely to make any reductions and a further 38 per cent said they were unsure.

Just under one quarter of authorities (24 per cent) agreed that it is likely that they will reduce the scale of cultural services activity in the future. This is an increase on the 20 per cent of authorities who indicated that they have already reduced their scale of activity and may be an early indication of a developing trend.

Just under one third of authorities (35 per cent) said it was likely that they would reduce the resources invested in cultural services in the future. This compares with the 39 per cent who have already decreased investment since SR 2004.

For further information please contact
the Local Government Association at:
Local Government House
Smith Square, London SW1P 3HZ

or telephone LGconnect, for all your LGA queries on
020 7664 3131
Fax 020 7664 3030
Email info@lga.gov.uk

For a copy in braille, in larger print or audio tape
contact LGconnect

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