

## **Report to the Cabinet**

**Report reference:** C-044-2010/11  
**Date of meeting:** 6 December 2010



**Portfolio:** Leisure & Well Being

**Subject:** Potential Revenue Savings from Community Arts and Public Relations

**Responsible Officer:** Julie Chandler (01992 564214).

**Democratic Services Officer:** Gary Woodhall (01992 564470).

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### **Recommendations/Decisions Required:**

(1) That in order to assist in achieving efficiency savings as required by the Council's Medium Term Financial Strategy, the Cabinet considers the options for budget reductions in Community Arts and Public Relations as detailed below:

- (a) Community Arts - £35,000 reduction in project budget and deletion of part - time Arts Administration Post; and
- (b) Public Relations - £65,000 saving found from reducing the number of Forester editions from 4 to 3 per annum, and from deletion of the Marketing Officer post and part-time public relations assistant post, both of which are currently vacant.

### **Executive Summary:**

Overview and Scrutiny Committee commissioned a Task and Finish Review of the Council's Arts Service in March 2007, in order to gain an informed view of the value of Arts in the District and to explore options for outsourcing of the service. At this particular time, the Council was in a stable financial position and the review resulted in recommendation to Overview and Scrutiny Committee to retain the Arts Service 'In House'. This was subsequently agreed, by Cabinet, in April 2008.

However, in the intervening period the economic downturn placed significant pressure on the Council to review its' spending and a subsequent more detailed exercise on alternative delivery of Community Arts was therefore undertaken by Officers in 2009/10. This exercise included consideration of a range of options including development of an independent trust for the Arts, but it was identified that no real saving could be made through these options due to issues such as the need for transfer of staff. In addition the support service costs that amount to one third of the Arts Budget could not be found without a major Council re-structure.

In respect of the savings identified within Public Relations, these focus specifically on the deletion of two posts that have been held vacant for an extended period of time and on the reduction in the number of Forester Magazines produced per annum. The latter is in response to the Secretary of State for the Department of Communities and Local Governments' drive to reduce the number of publications produced by Local Authorities.

## **Reasons for Proposed Decision:**

The Council's need to find revenue savings over the next four years.

The Community Arts budget has been scrutinised for potential savings that would not impact too significantly on district provision and it has been identified that these savings can be made by deleting a part - time Arts Administration post and changing project delivery methods.

The reduction in publications of The Forester would not have a significant impact on the Information dissemination of the Council.

## **Other Options for Action:**

That the Council decides not to agree the recommendations

## **Report:**

### Arts Budget

1. In early 2007, Overview and Scrutiny Committee were tasked with undertaking a review of Arts provision in the District and this was carried out by Leisure Task and Finish Scrutiny Panel. The review took place over the course of a year and included a full investigation of the service delivered in terms of meeting Corporate Policy Objectives and Priorities, and opportunities for future development and delivery.

2. At the completion of the review, the Task and Finish Panel reached a conclusion that the Arts Service should be retained 'in house' and suggested a set of recommendations to Cabinet, as below:

(a) to ensure that the Arts Service makes a contribution to wider social objectives, including crime and disorder and health improvement;

(b) to increase access to and participation in the Arts for people of all ages and abilities;

(c) to ensure that the current strong and effective partnership working is retained;

(d) to ensure that equality of access to the Arts is maintained and that targeted work is continued with groups at risk of social exclusion;

(e) to ensure that the Arts Service is delivered by the most cost effective means possible and that Value For Money is optimised whilst maintaining a creative and forward thinking programme; and

(f) to ensure that the District continues to benefit from investment in the Arts through the maximisation of External Funding Opportunities.

3. However, at the time of the review in 2007/08, the Council was in a stable financial position. In the intervening period the economic downturn has placed significant pressure on the Council to review its spending and particularly over the next four years, where financial projections identify a need for the Council to make substantial savings within its' revenue budget.

4. A further in depth review of the Arts Service was therefore undertaken by officers in

2009/10, which considered alternative options for delivery, including establishment of a charitable trust. Meetings were held with a range of Arts Trusts and officers investigated the costs of transferring staff under TUPE and the various other implications of staff transfer, including Pension arrangements. In addition, the Council's Accountancy Section was involved in respect of investigating potential Support Service cost savings as part of a complete outsourcing option.

5. It was however identified from this review that the range of costs associated with the establishment of a trust or any other separate entity for the Arts Service were totally prohibitive, and, that Support Service costs which represent one third of the Arts Budget could not be reduced without undertaking a Council re-structure.

6. The impact of reducing the Community Arts budget as recommended in this report is as detailed below:

(a) **Deletion of part-time Administration post** - The general workload of this post has been allocated across the rest of the Arts team, and specific areas of work such as bookings for events and activities have been transferred to the central Community Services Admin. Team as part of a re-organisation of duties.

(b) **Reduction in Project Budget** - The impact of this reduction will mainly be seen across local schools that have previously benefitted from specific dance, theatre and other specialised Arts projects provided by professional companies. In addition, other aspects of the Arts programme delivered by core staff have been reviewed and will be provided in new ways that are more cost effective, or generate a greater income.

#### Public Relations and Marketing

7. In regard to the savings identified from Public Relations and Marketing, these have been highlighted from two particular areas of the budget. The first being a reduction in staffing which was identified through a review of the Public Relations and Marketing Team, and the second in response to the Secretary of State for Communities and Local Governments' drive to reduce the amount of Local Authority publications produced.

8. Under the Senior Management Review of the Council in 2007/8, the Marketing and Events Officer and Assistant Posts that were held within Leisure Services were transferred to the Corporate Public Relations Section. At the same time, both of these post holders left the authority.

9. A subsequent review of the Public Relations Service was undertaken and recommendations around a new structure were agreed by Chief Executives Forum. This resulted in the Marketing Officer Post being re-evaluated under Job Evaluation and the Assistant Post being revised to support media relations. The Marketing Officer Post was held vacant in light of the turn in the economic climate.

10. In the same period of time, a full review of The Forester magazine was undertaken which included consultation across the Council and local residents. This review highlighted the importance of the Forester to local residents as a corporate and community information device. At the time, consultees were happy with the frequency of production of the Forester which was on a quarterly basis.

11. In addition the review highlighted the increase in availability and access to information via the Council's website which was to some residents a better method of obtaining information about the Council's services.

13. Over the last year in view of the Secretary of States' messages around Local Authority publicity, a reduced number of Forester magazines have been published and there has been limited local outcry. Therefore it is suggested that there will not be significant resistance to this option if taken forward.

14. The impact of reducing the Public Relations and Marketing budget as recommended in this report is as follows:

**(a) Deletion of Marketing and Events Officer and Public Relations Assistant Posts -**

The Marketing & Events Officer post has been held vacant for an extended period of time in view of the anticipated medium term corporate savings requirements. This role was previously responsible for Leisure Marketing and organisation of corporate & district events, including support to local organisations such as Epping Rotary for the annual Fireworks and carnival and Copped Hall Fun Run. However, all marketing and promotions for the services that previously formed Leisure Services is now undertaken by individual service areas and where possible, the Council's Sports Development Team continues to support local events including the Copped Hall Run. The impact of deletion of these posts has therefore been minimised.

**(b) Reduction in Forester Budget -**

It is suggested that a reduction in the number of Forester Magazines published each year will not have a significant impact on local residents, as there has been limited public outcry over recent months that the Forester has not been produced. Also, it is planned to review the format and design of the Forester in line with feedback from the various consultation exercises undertaken and it is expected that future publications will therefore meet local requirements more effectively and will be better value for money.

**Resource Implications:**

The Council's Arts Service operates on a budget of £329,200. This budget is broken down into a range of expenditure, including: Staff Salaries £175,300; Operational costs £44,900 and Support Services and overheads of £109,000. The proposed £35,000 saving would include approximately £10,500 from a deleted post and £24,500 reduction from the operational budget.

The savings to be found from Public Relations and marketing are as follows; approximately £45,000 deletion of two posts and £20,000 reduction in Forester costs.

**Legal and Governance Implications:**

None.

**Safer, Cleaner and Greener Implications:**

None.

**Consultation Undertaken:**

The previous Leisure Task and Finish process involved a wide range of consultation with local organisations

**Background Papers:**

- Leisure Task and Finish Scrutiny 2007/08 Report agreed by Overview and Scrutiny Committee April 2008.

- Future Development of the Arts in Epping Forest 18.09.07
- Arts presentation to T&F – 09.08.07
- The Forester Review 2009.

**Impact Assessments:**

Risk Management

A risk management exercise has been carried out as part of this report and it has been identified that if the Arts Service is not outsourced it would potentially be a Council priority for reduction in service to meet revenue budget savings required.

Equality and Diversity:

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* No

*What equality implications were identified through the Equality Impact Assessment process?*  
N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*  
N/A.