



# **Collaborative Opportunities Working Papers**

## **Collaborative Feasibility Project**

**Service Cluster: Culture and Leisure**

**Date: 08/06/11**

**Version: 1.0 FINAL**

**Darlington Borough Council**

**Hartlepool Borough Council**

# Contents

- 1 Document Control..... 3**
- 2 Introduction..... 4**
  - 2.1 Background ..... 4
  - 2.2 Key Drivers of the Project ..... 4
  - 2.3 Guiding Principles..... 4
  - 2.4 Evaluation Criteria ..... 6
  - 2.5 Strategic Scope..... 6
  - 2.6 Progress to Date ..... 6
- 3 The Current Environment ..... 7**
  - 3.1 Overview ..... 7
  - 3.2 Arts and Events ..... 8
  - 3.3 Museums ..... 11
  - 3.4 Leisure..... 13
  - 3.5 Libraries ..... 1
- 4 Potential Opportunities and Operating Model ..... 3**
  - 4.1 Overview of the potential opportunities..... 3
  - 4.2 Potential Strategic Operating Model..... 5
  - 4.3 Arts & Events..... 8
  - 4.4 Museums ..... 10
  - 4.5 Leisure..... 12
  - 4.6 Libraries ..... 15
  - 4.7 Assessment against the Guiding Principles ..... 17

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

# 1 Document Control

Version	Amendment Detail	Author	Date
V0.1	Initial Draft	Abbas Baig	11/05/11
V0.2	<ul style="list-style-type: none"> <li>Narrative updates as per feedback from Jerry Gould</li> <li>Market Insights included from Jerry Gould</li> <li>Structure charts included from Mike Crawshaw</li> <li>Libraries 11/12 Gross Budget included from Graham Jarritt</li> </ul>	Abbas Baig	24/05/11
V0.3	<ul style="list-style-type: none"> <li>Removed all evaluation criteria and savings estimate sections and created an overarching section for the report</li> <li>Updated savings estimates section based upon outputs from workshop 26/05/11</li> <li>Updated evaluation criteria table</li> <li>Updated Summary of proposal section</li> </ul>	Abbas Baig	26/05/11
V0.4	<ul style="list-style-type: none"> <li>Updates made as per comments from Jerry Gould</li> </ul>	Abbas Baig	27/05/11
V0.5 COMPLETED FOR FINAL COMMENTS	<ul style="list-style-type: none"> <li>Updates made as per review comments provided by workshop attendees</li> <li>Report converted from working document into appendix to overarching report.</li> </ul>	Abbas Baig	01/06/11
V1.0 FINAL	<ul style="list-style-type: none"> <li>Updates made as per review comments provided by workshop attendees</li> </ul>	Abbas Baig	08/06/11

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

## 2 Introduction

### 2.1 Background

Darlington Borough Council and Hartlepool Borough Council have agreed to explore the feasibility for collaboration across their organisations. Deloitte has been appointed to help the two authorities to undertake some high-level, broad-based work to determine where such collaboration might create significant opportunities for savings / service improvements. The collaboration opportunities identified will comprise one of a range of options that will be considered by both authorities in their response to their current and future financial pressures, Government reforms and local needs.

This report documents the work undertaken in examining the collaboration opportunities that exist in relation to the delivery of cultural and leisure services and the findings of that work which will be presented to the Project Board for consideration.

### 2.2 Key Drivers of the Project

Outlined below are the list of key drivers, agreed by both Corporate Management Teams, which set out the reasons for pursuing a feasibility study into a strategic collaboration between Darlington and Hartlepool Borough Councils. These are:

- Having a **sustainable financial future**
- Supporting **democratic accountability** and choice
- **Shaping their own destinies** by being ahead of the game
- Stimulating and **informing wider partnership** working across the region: by providing leadership
- **Optimising outcomes** for local people: by retaining a focus on the need of our local communities
- Continuing to **support sustainable and resilient communities**: by remaining committed to our strategic priorities

### 2.3 Guiding Principles

Outlined below are the guiding principles which have been agreed by both Corporate Management Teams. These guiding principles have been used to ensure that the opportunities developed comply with both Councils strategic objectives.

**Guiding Principle 1:** Each Local authority will retain their individual identity and sovereignty

Explanation:

- The ability of citizens to hold their Members to account must remain paramount
- Each authority will define the outcomes for the local population and how these are delivered

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

- Investment priorities and service levels will continue to be determined locally
- Members have the choice to standardise or customise services, with a clear understanding of the costs and benefits of the decisions they make
- It will be critical to recognise the difference between who is accountable for a service versus who is providing a service
- Statutory responsibilities will not be undermined

**Guiding Principle 2:** Collaboration is not limited to Darlington and Hartlepool

Explanation:

- While the feasibility of collaboration between the two authorities is being tested, it is not the only option
- Opportunities could include other authorities
- Opportunities could include other public organisations
- The benefits or disbenefits of collaboration between the Councils will be looked at on a service-by-service and thematic basis rather than “all or nothing”
- At the same time, the collective benefit of strategic collaboration through synergies will be evaluated

**Guiding Principle 3:** The authorities enter this process with a positive view of collaboration

Explanation:

- Strong leadership and clear direction will be key to ensure this study delivers an robust and balanced set of conclusions for consideration
- The output of this project will be a strategic assessment of opportunities, symbolising the start of a decision making process, not the end. The timeframes and level of information available are proportionate to the status of the project and require a measure of pragmatism
- Individuals who have been involved in transformation should be encouraged to champion the principle of collaboration during this study
- It remains clear that ‘doing nothing’ is not an option for either authority.

**Guiding Principle 4:** Collaboration must deliver demonstrable additional benefits to working separately

Explanation:

- Collaboration will create a renewed level of resilience within each local authority. A resilient organisation will have the right skills, the right capacity and the critical mass to deal with future pressures
- Collaboration will deliver the expected level of financial benefits required to mitigate the financial risks projected

- Collaboration will create the robustness to mitigate operational risks
- Opportunities will consist of a combination of service-specific opportunities as well as cross-cutting opportunities / synergies

## 2.4 Evaluation Criteria

These guiding principles will be evaluated to determine the extent to which the opportunities deliver against the key drivers of this project. The key questions to be answered for each opportunity are as follows:

- 1) To what extent does the option meet our key drivers?
  - 1.1) Sustainable financial future
  - 1.2) Supporting democratic accountability and choice
  - 1.3) Shaping our own destiny
  - 1.4) Stimulating and informing wider partnership
  - 1.5) Optimising outcomes for local people
  - 1.6) Sustainable and resilient communities
- 2) To what extent does each Council retain its sovereignty?
- 3) To what extent does the option bring additional benefits?
- 4) To what extent does the option support each Authority's strategic design principles?

## 2.5 Strategic Scope

It was agreed by the Corporate Management Teams of both authorities that, for the purpose of this strategic opportunity analysis, no services or functions or roles would be deemed out of scope.

All opportunities would need to comply with the guiding principles in order to be credible.

Furthermore, any collaborative opportunities would need to be evaluated against other options identified separately by the two Councils.

## 2.6 Progress to Date

The approach of this project will follow four stages, where this report represents the outputs for stage 3.



## **3 The Current Environment**

### **3.1 Overview**

This report outlines the potential opportunities for collaboration that exists across Culture and Leisure services, specifically;

- Arts & Events;
- Museums;
- Leisure; and
- Libraries

The authorities have undergone significant reductions in cost across these service areas which have required changes in the level and range of provision across them.

Some of these services are supported by external funding. However, announcements since the Comprehensive Spending Review have clearly stated that funding levels will be reducing significantly, if not cease by the end of the year. As a result, bidding for additional funding to support existing and creating new provisions, are becoming more challenging in light of wider Public Sector spending reductions.

The impact of these funding reductions will mean significant changes to the provision of these services, which are already being explored from a collaborative/partnership perspective (Tees Valley initiatives).

The following section describes the current environment of each of these services in further detail.

## 3.2 Arts and Events

### 3.2.1 Overview

The scope of this opportunity covers Civic Theatre, Arts Centre, Arts engagement and outreach services. Outlined below is a high-level overview of these services within both organisations:

#### Darlington

Civic Theatre and Arts Centres provide a face to face box office function supplemented by a point of sale within Cornmill Shopping Centre. Telephone ticket sales are also available.

During 2010/11 the total number of transactions were 59,941 of which 5,536 were done online. The value of those transactions was £2.57m of which £312,990 was from online sales. Online sales have been running at approximately 10% of total transactions in the last 3 years.

**Darlington Arts Centre** incorporates a 350 seat theatre which is also used as a cinema, the Myles Meehan Gallery, the Lounge, Glass Corridor, studio galleries, workshop and studio spaces, and two informal venues for music, comedy and the spoken word. In 2007 the Arts Centre carried out a major redevelopment project which expanded and revitalized the building using bold design to create a modern, bright and inspiring venue with a focus on providing high quality, accessible, progressive theatre and dance by and for young people. Tenants include: Theatre Hullabaloo (formerly CTC Theatre Company), National Association of Youth Theatres and Darlington Media Group as well as a number of practicing artists. The Arts Centre is in the final year of the Regular Funded Organisation (RFO) agreement to the value of £120k.

**Darlington Civic Theatre** is an 894 seat traditional, red velvet Edwardian theatre built in 1907. The Civic Theatre is a receiving house, that is, all theatrical presentations are brought in via direct hires of the venue or as promotions in conjunction with national promoters. The Theatre programme is negotiated with production companies and deals involve a percentage split of the total box office takings after royalties and payments to the Performing Rights Society (P.R.S.) in favour of the promoter.

**The Civic Theatre** sits within Cultural Services, as such its programming remit aims to offer a broad mix of arts and entertainment throughout the year to appeal to all sections of society. A typical season would include drama (plays), ballet, orchestral music, rock/pop shows, variety and specialty shows (Circus of Horrors, Shaolin Warriors), as well as a successful pantomime which runs for 6.5 weeks every year. Because of its commercial focus in terms of programming, the Theatre attracts no subsidy from the Arts Council of England (A.C.E.).

#### Strategic Direction

The Arts Centre budget was reduced by approximately 50% for 2011/12 whilst the Arts Enquiry group process determines the future for the arts sector within Darlington; this



V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

process will report mid June 2011. This feasibility work will also help to inform decisions DBC needs to make around the future of the Arts Centre.

Members approved a process for the sale of the lease of the Civic Theatre in early 2011 stipulating that interested parties must continue to offer a high quality programme of theatre. The process is to be concluded in May/June 2011. DBC have programme commitments currently until Feb 1<sup>st</sup> 2012 with further contractual obligation around Pantomime season 2012/13.

## Hartlepool

The Arts & Events service operates in the Town Hall Theatre, which is a community theatre which also hosts professional shows. The team are responsible for delivering the town's events programme across the Borough and any events at the Borough Hall.

The Arts team operate on an outreach basis and are currently operating the Arts Hartlepool shop in Middleton Grange Shopping Centre.

The Tourist Information Centre is housed in Hartlepool Art Gallery and also operates as a ticket office for the Town Hall Theatre and the events programme. Hartlepool Maritime Experience (HME) is the town's premier paid tourist attraction with visits reaching 7,000.

The Arts & Events section is a fully integrated part of Cultural Services, which also include Museums.

The service is delivered out of the following locations:

- **Town Hall Theatre** is a community theatre and also has a professional series of shows.
- **Tourist Information Centre** provides a tourism function and box office facility with a reception and the retail outlet situated within the Art Gallery.
- **Hartlepool Maritime Experience** is a multi award winning venue which is operated with the HMS Trincomalee Trust. The site replicates a seaport in the days of Nelson, with cannon and musketry displays and provides the backdrop for the Georgian Festival and other events

### Strategic Direction

The vision is 'Providing an inspiration outlet for people of all ages'. In order to deliver this vision the service is engaging in three aspects of interconnecting work:

- Community engagement and social inclusion
- Curatorial engagement and access
- Commercial and visitor engagement.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

One of the critical challenges facing the service is the cessation of funding by the Arts Council in April 2012. In response to this challenge, the Council will be bidding for Grants to compensate for the reductions in funding.

### 3.2.2 Scale of Operation

The scale of the operation is outlined below:

	Darlington Borough Council	Hartlepool Borough Council
<b>FTEs</b>	39 FTEs	29 FTEs
<b>Net Expenditure Budgets</b>	Arts Centre: £364,193 less £16k catering surplus.  Civic Theatre: £441,687 less £65k catering surplus. N.B Civic Theatre budget 10 months only 2011/12 due to proposed sale of lease	Hartlepool Maritime Experience £34,135  Arts Development £42,398  Tourist Information Centre £61,847  Events £167,761  Town Hall Theatre £48,781  (*Cultural Services budgets to be reduced by c £220,000 from 1 <sup>st</sup> April 2012)  Arts Council funding of £36,000 to be removed from 1 <sup>st</sup> April 2012.
<b>Service Demand</b>	Arts Centre: 140,000 visits per year incl. 32,000 ticketed performances and 29,000 visits to galleries  Civic Theatre: 175,000 tickets per year	<b>Visits:</b>  Town Hall Theatre - 66,558 (2010/11)  Borough Hall - 40,299 (2010/11)  Hartlepool Maritime Experience - 56,938 (2010/11)  Tall Ships 2010 - 970,000
<b>Infrastructure</b>	Arts Centre/Civic Theatre use ENTA system for ticket sales, EPOS for Catering operations and Artifax for programming	Until Mar 31 <sup>st</sup> – Venuemaster box system, currently replaced with an on-line programme by Zipporah in development.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

## 3.3 Museums

### 3.3.1 Overview of operation

Outlined below is an overview of Museums across both authorities:

#### **Darlington:**

- Civic Theatre and Arts Centre provide a face to face admissions function, Telephony enquiry service
- Currently no online ticket sales facility is in place
- Museum budget has been reduced by £40k in 2009/10 and a further £26k for 2011/12.
- Cafeteria service outsourced during 2010 to realise a net saving of £17k
- Tees Valley Museum's Service review concluded in February 2011. 5 Local Authority partners did not feel the business case was sufficiently robust or developed to proceed at this stage.
- The authority is in dialogue with National Railway Museum, York and potentially Durham County Council to explore further collaborative working, management and governance.

The Head of Steam museum provides:

- a passenger train exhibit (locomotion No. 1)
- an education and outreach programme with all Primary Schools in Darlington
- research opportunities through the Ken Hoole Study Centre
- a franchised cafe and a small retail offer

#### **Hartlepool:**

- The Museum service operates two free sites: the Museum of Hartlepool, which included PSS Wingfield Castle and Hartlepool Art Gallery. Sir William Gray House hosts the museum staff, Tees Archaeology and the collection. It is open to the public only on special days, but plans are advanced for an open access store facility. The Museum Service is the lead for the Renaissance programme in the Tees Valley.
- Museums are a fully-integrated part of Cultural Services, which also includes arts and events.
- The vision is 'Providing an inspirational outlet for people of all ages'. In order to deliver this vision we engage in three aspects of interconnecting work:

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

- Community engagement and social inclusion
- Curatorial engagement and access
- Commercial and visitor engagement
- Renaissance funding for Tees Valley will cease on 31<sup>st</sup> March 2012 in its current format. Discussions are ongoing as to the successor to this programme.
- Museum of Hartlepool tells the history of the town and its illustrious maritime, industrial and monastic past. It delivers a wide range of learning opportunities both on site and as an outreach provision. Last year education visits were 14,400. It also has a changing exhibition programme.
- Hartlepool Art Gallery has a changing exhibition programme of visual art. A permanent display of Hartlepool's fine art collection and the new 'emerge gallery' for emerging artists is due to open in July 2011. The gallery had 1560 education visits and also hosts the town's Tourist Information Centre.

### 3.3.2 Scale of Operation

	Darlington Borough Council	Hartlepool Borough Council
<b>Visitors</b>	32,000 (this includes 4,000 school visits and 6,500 visits from the Events Programme on site)	Museum of Hartlepool - 117,351 visits (2010/11) Hartlepool Art Gallery - 70,155 visits (2010/11)
<b>11/12 Net Expenditure Budget</b>	Head of Steam £261,800	Total: £854,621 Museum of Hartlepool £94,035 Sir William Gray House £218,900 PSS Wingfield Castle £86,355 Hartlepool Art Gallery £65,331 Renaissance £390,000 (ends in current format 31st March 2012) * Cultural Services budgets to be reduced by c. £220,000 from 1st April 2012.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

## 3.4 Leisure

### 3.4.1 Overview

The scope of this opportunity includes the following:

- Leisure centres
- Sports Development

Outlined below is a high-level overview of these services within both organisations:

#### **Darlington**

Leisure services include the Dolphin Centre, Stressholme Golf Club, Eastbourne Sports Complex, and Sports Development. Dolphin, Stressholme, and Eastbourne all use a service delivery model providing face to face, telephone, and email enquiries for bookings/information and meetings/conference provision. Online bookings are not available at present; however, this is a work in progress alongside a transformation team to facilitate this. These services are all supported in house.

In 2011/12 the Dolphin Centre reduced net expenditure by £380k with further operational efficiencies, consolidation of pool programme and reduced opening hours. The centre also consolidated a reduced events team following withdrawal of delivery budget for 11/12. A further review of operating model at Stressholme is taking place looking at opportunities for joint working with Greens staff and Streetscene staff at South Park. The opening hours at Eastbourne Sports Complex were reduced by 40% in 2009, in turn, reducing the budget by £80k. There were an additional £120k of new projects agreed for 2011/12 through PCT in the Sports Development function.

The Dolphin Centre provides the hub for Darlington's municipal sport and leisure service. The centre offers a range of wet and dry facilities including:

- A 25m Swimming Pool, Teaching Pool, Diving Pool and Toddler Pool, Sports Hall, Fitness Suite, Squash courts, Fitness/Dance Studio, soft play facility, conference and banqueting hall, meeting rooms, Bistro and Coffee shop facilities, Climbing Wall and Register Office.
- There are 42 clubs/societies that are based at the Dolphin Centre. These include Swimming Club, Judo, Karate, Badminton, Netball, Basketball, Soccer school, 50+ club, Rotarians etc.
- In addition to sport, health and fitness a diverse range of community sessions occur on a weekly basis within the centre including: Breastfeeding support groups, parent/toddler sessions, social groups for older people, chill out café for young people, pre natal groups, specialist cardiac sessions and smoking cessation programme alongside NHS Darlington. The centre is also the hub of the programme of community based Events and Festivals that is delivered within the town e.g. D'ton 10k Run, Race for Life.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

Stressholme is a 6,431 yards par 71 course offering pay as you play as well as golf for members. The course offers a challenging and varied landscape with the River Skerne. Stressholme has a fully equipped driving range and practice facilities, a golf professional and pro shop that offers retail, tuition and other golf related information.

Eastbourne Sports Complex was funded by a lottery grant to the sum of £1.8million in 1999. It provides a hub for municipal football leagues, 8 grass pitches, a synthetic turf pitch for hockey (home of Darlington Hockey Club) and football, national standard athletics track (home of Darlington Harriers), bowling green, and the climbing boulder. The indoor facilities comprise a function room, fitness suite and large changing facilities. Specialist clinics are delivered from an indoor fitness suite including a phase iv cardiac rehab programme, ARNI programme, Diabetes clinic, etc.

Sports Development, commissioned by the PCT, delivers a whole range of service including Exercise after stroke programme, GEM programme for older people, Darlington One Life scheme. It delivers Sport England work streams, volunteers, coaches, club development, etc. and works alongside County Sports Partnership deliver sub regional schemes including Sportivate. Sports Development also delivers school festivals, after school clubs and will jointly manage school games organiser role, replacing PDM.

### **Hartlepool**

Similar to Darlington, Hartlepool use a service delivery model providing face to face, telephone, and email enquiries for bookings/information and meetings/conference provision. Leisure Centre Booking system provided by XN Leisure which is also used for all Sports Development activities and Pitch Bookings across all Council sites. Online bookings are not available at present although work is currently ongoing to deliver this facility and the website is limited.

Sport & Recreation services have been re-structured twice in the last 24 months. The CSR and service review were both 2010/11 reducing net expenditure by £414k, with further savings to be made this year. A previous reorganisation of Leisure Centre staffing also reduced expenditure by £50k.

All services work in partnership with other agencies and internal sections. Bids are currently in for BMX track development, sustainable transport, reaching communities via sports development. Other such bids also hold the potential for commissioned services via PCT and public health partnership working.

Mill House Leisure Centre is the most central and multi use site in the town with a pool hall, sports hall, fitness suite, studio, squash courts, health suite, meeting room, wet and dry change. The reception area has been renovated and a new changing village for the wet side has been completed, as a result of successfully obtaining grant funding. Several clubs use this site, including the Swimming club. All LA primary school swimming lessons (which are managed by Sport & Recreation) are now run from this hub and have sole use of the pool during the morning and have separate changing if needed. Many sessions take place from netball, exercise on referral sessions, phase 4 cardiac rehab, football, aqua, etc. The café has also been converted into a new fitness suite.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

The Headland Sports Hall is adjacent to the Borough Hall events space and is managed by one person. There are only dry facilities on this site and is a much smaller operation than Mill House. It contains one sports hall plus fitness suite, then the main hall and conference venue plus a bar more extensive in size.

The Grayfields Recreation ground consists of a pavilion with numerous changing rooms, has full size, junior pitches and a 3g pitch on site. Leagues run from this site and there is also a conference room for hire. Management of the site is overseen by Mill House whilst Sports Development look after the football development of the site.

Summerhill country park is an open access site and has various habitats as well as a main visitors centre with function rooms, changing areas, toilets etc. It houses both the Summerhill team and also the sports development's outdoor activities service. The site has features such as climbing boulders, play areas and equipment, National standard BMX track, high ropes course, indoor climbing wall (junior), orienteering courses and sculpture trails. Work includes environmental education, outdoor activities, events, and maintenance.

Sports Development facilitate and enable community clubs and groups to grow and increase participation in sport and physical activity in the town. Projects include women's begin to, workplace health, men's health, exercise on referral, doorstep walks, holiday programming, supporting leisure facilities increase attendances, learn to swim, disability development and leagues. Sports Development also includes links to NGB's, CSP, and school sport systems and brings in significant amounts of funding to the department for projects. Community Activities Network is the lead for sport and physical activity for the town. The team works with volunteers, coaches and clubs /organisations to increase capacity.

Carlton – The centre is based in North Yorkshire and has a board of trustees. HBC is the managing authority. There are no longer any other LA's buying into this service. The site has several meeting rooms/classrooms, indoor full climbing wall, high ropes course, dormitories etc. The main users are primary schools from around the Tees Valley but greater scope is now required as income needs to be increased in order to cover costs. This site has potential and is already starting to be used differently to increase revenue, for example, much like a youth hostel for group bookings.

Recreation Development is a small section of the team (2FTE) but has a significant impact on publicity, marketing, research, quality assurance and development, funding bids and joint projects through culture, events, adult education etc. All areas of sport and recreation are supported by this team and add value to the work. For example, the team lead a bid and implementation of a new skate park in conjunction with Youth Services, community resources and sport and recreation.

Service accreditations have been achieved for all areas and are managed by the Recreation Development Officer along with funding bids, marketing for the full section, research, and publicity. This area is also responsible for the Hartlepool Community Activities Network which distributes public health grant funding on behalf of Health.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

### 3.4.2 Scale of Operation

The scale of these operations is illustrated below:

	Darlington Borough Council	Hartlepool Borough Council
<b>FTEs</b>	<p>Leisure Facilities: 94 FTEs</p> <p>Sports Development: 1.6 FTEs (plus further 4 FTE's grant funded)</p> <p>Leisure Programming and Events: 4 FTE's</p>	<p>Leisure Facilities: 15.5 FTEs</p> <p>Sport and Physical Activity: 11.3 FTEs</p> <p>Recreation 3 FTEs</p> <p>Carlton currently under review</p> <p>N.B. these figures exclude casual, coaches or weekly paid staff</p>
<b>Net Expenditure Budgets</b>	<p>Dolphin Centre Leisure: £1.869m less £75,097 surplus on catering account</p> <p>Stressholme: £28,680 + £7,963 catering loss</p> <p>Eastbourne: £123,820</p> <p>Sports Development: £64,780</p>	<p>Mill House: £475,689 (10/11); 11/12 budget is £330,886</p> <p>Headland Sports Hall: £111,315 (10/11); 11/12 budget is £82,204</p> <p>Grayfields Recreation Ground: £37,142 (10/11); 11/12 budget is £7,342</p> <p>Borough Hall: £-19,561 (10/11); 11/12 budget is £-55,464</p> <p>Sports Development: £297,861 (10/11); 11/12 budget is £228,239</p> <p>Summerhill: £143,372 (10/11); 11/12 budget is £107,944</p> <p>Carlton operates on zero base budget. Expenditure is approx. £550,000. The 2011/12 gap in income is approx £180,000.</p>
<b>Service Demand</b>	<p>Dolphin Centre – 875,000 visitors in last full year including 201,000 public swims, 104,000 fitness suite visits, and 85,000</p>	<p>Mill House Leisure Centre – 10/11 attendances: 255,390.</p> <p>Headland Sports Hall – 10/11</p>



	<p>swimming lesson visits.</p> <p>Stressholme 29,000 rounds of golf and 15,200 visits to the Driving Range in last full year.</p> <p>Eastbourne 177,000 visits for outdoor and indoor use.</p> <p>Sports Development service engaged with 5,300 residents during 2010/11 with a throughput of 42,000.</p> <p>Note – catering is in house and self-financing.</p>	<p>attendances: 46,000.</p> <p>Borough Hall – 10/11 attendances: 255,390.</p> <p>Three centre attendances MHLC, HSH, Brierton (currently managed by Dyke House School) – 10/11 attendances: 427,316, achieved target of 400,000.</p> <p>Summerhill hosted 10 competitions in 10/11, saw 74 new user groups to the centre, and throughput of 16,480 bookings.</p> <p>Carlton last academic year had a 70% occupancy which will be a steep target to reach 11/12.</p> <p>Sports Development throughput 10/11: 39,606. The exercise referral scheme saw 62% retention rates and over 300 participants completing a 10 week programme.</p> <p>Note - no catering is provided on these sites unless for events. Café in MHLC was converted to a Fitness Suite, original area converted to studio space.</p>
--	--	--

## 3.5 Libraries

### 3.5.1 Overview

This opportunity covers buildings based, mobile and electronic/online library services.

Both authorities provide the following key activities:

- Promotion of literacy and reading
- Book and other format loans
- Information & Guidance
- Services for children
- Lifelong Learning / Education Support
- Public IT facilities
- Local Family History
- Services for older people and people with special needs

#### Service Strategy

Hartlepool has recently completed a business transformation and CSR resulting in savings of 22% within the function. Darlington is currently carrying out a business transformation within the service.

### 3.5.2 Scale of Operation

The scale of this opportunity is as follows:

	Darlington Borough Council	Hartlepool Borough Council
<b>11/12 Gross Service Budget</b>	1,034,429	1,346,878
<b>FTEs</b>	39.2	35.8
<b>Issues</b>	550,000	445,000
<b>Visits</b>	457,000	570,000

<b>Sites</b>	Central Library including Reference Service  Cockerton  Housebound  Mobile Library	Central Library including Reference Service  Owton Manor  Seaton Carew  Throston Grange  Headland  Home Library Service  Mobile Library
<b>Systems</b>	Axiel	Talis

## 4 Potential Opportunities and Operating Model

### 4.1 Overview of the potential opportunities

As part of this high-level assessment, a number of different forms of collaboration were identified together with their advantages and constraints summarised below:

Types of Collaboration	Advantages	Constraints
<p><b>Creating a joint council service supporting both authorities.</b></p> <p>This would include combining management structures, standardising, as far as possible, policies, procedures, IT and other assets, yet ensuring that the identity and branding of these services remain</p>	<ul style="list-style-type: none"> <li>Control can be maintained by both councils upon the services and their contribution to their strategic priorities.</li> <li>Savings would be expected, however, this will be predicated on the level of standardisation both authorities are willing to accept.</li> </ul>	<ul style="list-style-type: none"> <li>The levels of staff that can be reduced through collaboration will be constrained by the number of site-specific roles and varying responsibilities certain tiers will include (i.e. a mixture of management and operational duties).</li> </ul>
<p><b>Creating a Trust model for these services.</b></p> <p>This would incorporate the principles of the previous form of collaboration but would take a more commercial approach</p>	<ul style="list-style-type: none"> <li>Well tested. There have now been around 120 leisure trusts established to manage facilities / deliver services previously delivered by local authorities</li> <li>Tax / NNDR advantages often mean that the same or better service levels can be provided at the same or lower cost</li> <li>Savings can be used to fund re-investment in run down facilities</li> <li>100% of any profits go back into services (rather than shareholders pockets as in private sector outsourcing options)</li> <li>Can have some Council representation on the board</li> </ul>	<ul style="list-style-type: none"> <li>In the past most transfers of this type were arranged without going through a competitive process. Recent EU case law now makes this difficult</li> <li>Political resistance due to the perceived loss of control</li> <li>May result in loss of service contribution to central support costs increasing the fixed cost allocation to other services (depends on how trust decides to procure payroll, HR and other support).</li> </ul>

Types of Collaboration	Advantages	Constraints
	of the trust	
<p><b>Outsourced Model</b></p> <p>This would apply for certain types of services where the private sector are able to deliver the quality and to a lower cost required by both authorities.</p>	<ul style="list-style-type: none"> <li>• Where services are not well managed, may be better option than transferring poor management into an independent trust.</li> <li>• Can bring in nationally developed brands, e.g. swimming instruction programmes and fitness suite packages, etc.</li> <li>• Backed up by support structures from national specialists</li> <li>• Most of the leisure management companies now offer a hybrid trust / private sector option which can generate some of the same tax / NNDR benefits of the trust option</li> <li>• Access to capital for investment</li> </ul>	<ul style="list-style-type: none"> <li>• Likely to require longer contractual commitments than a trust option</li> <li>• Profits go to shareholders not back into local provision</li> <li>• Political resistance to perceived lack of control</li> <li>• Service requirements need to be more closely defined than under the status quo or trust models to protect the public sector investment</li> <li>• Needs more robust client arrangements than other options</li> <li>• Loss of service contribution to central support costs increasing the fixed cost allocation to other services</li> </ul>
<p><b>Integrating back office functions</b></p> <p>This would include full integration across a number of 'support service' type functions, infrastructure and assets.</p>	<ul style="list-style-type: none"> <li>• Integrating these areas should not have a material impact on the experiences of the public using these services as these would be considered to be 'back office' functions.</li> </ul>	<ul style="list-style-type: none"> <li>• Savings in this area are expected to be limited given a larger proportion of the services are frontline/customer-facing in nature.</li> </ul>

Each of the above delivery models could be used under a collaborative structure. In light of this, an initial high-level, broad assessment was undertaken to determine the potential level of savings that could be realised through collaborative work, e.g. using a joint management structure and sharing delivery resources.

## 4.2 Potential Strategic Operating Model

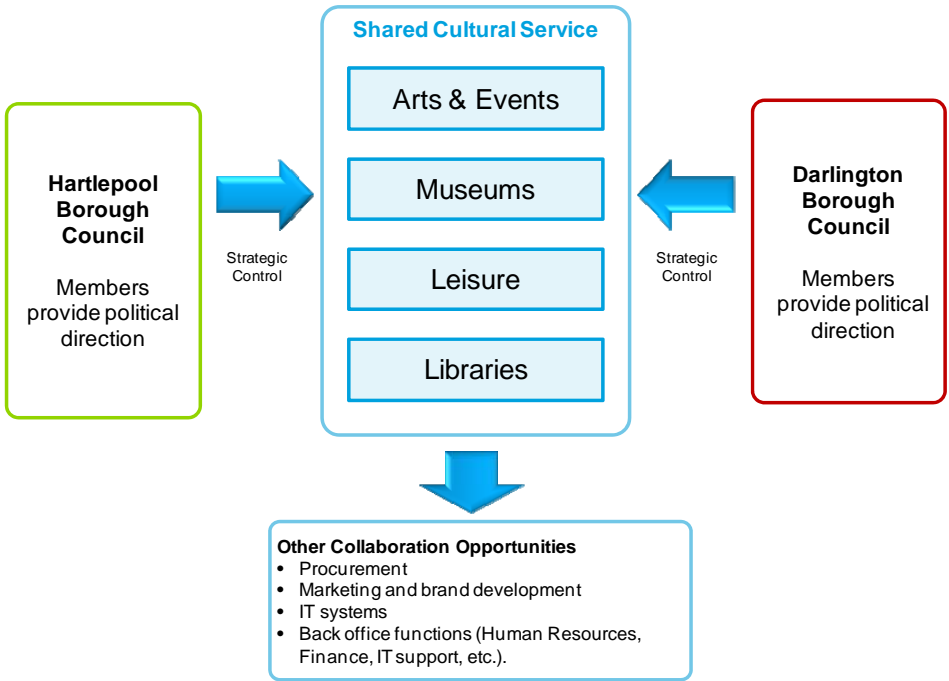
The potential strategic operating model, looks at collaboration across all the service areas in scope of this opportunity; Arts and Events, Museums, Leisure and Libraries, described in the previous sections.

### Potential Vision

There is an opportunity to bring together all the various services in scope of this report into a combined Cultural Services operation, which will deliver services on behalf of both authorities.

Under such full breadth integration, both authorities will retain their ability to control and direct the service to support local needs. Through this collaboration a number of other collaborative opportunities will be generated which are less “customer facing”, and are integral to the operation of the combined service.

An overview of such a model is illustrated below:



The key options that this presents are as follows:

- Option 1: Joint Cultural Services function delivering the full range of services on behalf of both authorities to their respective local populations.
- Option 2: Adopting a Cultural Services Trust Model
- Option 3: Mixed economy of provision – Trust model, Internal and external provision based upon what is the most financially viable delivery model.

## Potential Benefits

The key benefits will build upon those identified earlier in this report and fundamentally achieve greater resilience and capacity to continue to provide the services necessary in light of the funding reductions. Under a Trust model there are also opportunities to exploit the different tax / NNDR regimes applicable to some types of trust arrangements.

Key to understanding the scope for savings was to consider what scope, if any, there is to save posts by bringing together the two culture and leisure operations. In that regard, the potential is limited by the site-specific nature of the services concerned and the teams who undertook the exercise determined that the staffing structures needed to be considered in three categories, i.e.:

- The top two / three levels of service management where most of the postholders have strategic and / or non-site specific roles which closely align across the two authority structures. Hence, there is considerable scope for post overlap and deletion albeit more capacity might be needed at lower grades to which to delegate work.
- The mid-tier grades where the scope for overlap is limited but where, over time, efficiencies in working might be identified to generate relatively small savings and / or service improvements. These grades include administrative staff and people like event organisers, etc.
- The front-line delivery grades where the work is very site-specific, e.g. leisure attendants, front-line librarians, receptionists, etc. There is unlikely to be any real scope for post reduction across this category.

In the light of the above, the team focused its efforts on the first category only. They did this by comparing both service management and staffing structures side by side.

Albeit at a very high level, the following issues were considered:

- 1) Spans of control and the sizes of teams
- 2) Complementary services or functions
- 3) Duplicated functions or positions, particularly those which could be easily scaled to support across the two councils
- 4) Positions that are site specific and for which geography will be a critical factor

By applying their knowledge of the work done in each post, the team concluded that there was probably scope to reduce the number of 4th and 5th tier posts by around four which (if achieved) could generate annual savings of around £200,000 (including 25% on-cost).

Some in the group concluded that an even greater saving might be possible, i.e. a further four middle management posts. However, it was felt that much more detailed work

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

would be needed to confirm even the initial four let alone a further four. Moreover, in part, the conclusions were not related to collaboration. Rather, they arose from the comparison of the two authority structures itself. This raised questions about the justification of some posts in each authority and the scope for restructuring savings potential even without collaboration.

These broad-based conclusions need to be very carefully tested at the detailed business case stage through the development of a new structure built from the bottom-up starting with a blank sheet. They will also be impacted to some degree by the redesign of the management structure at Assistant Director and above.

**Key Considerations**

The following key considerations should be taken into account before pursuing this opportunity:

- Hartlepool Borough Council is currently assessing the potential for setting up a ‘Cultural Trust’ model or a similar delivery vehicle to deliver cultural services which will need to be broadened to Darlington Borough Council if the Trust model were to be pursued.
- It should be noted that the level of savings achieved when adopting a Trust Model is predicated on the ‘package’ of services that are included within the Trust. In some cases it may not be as financially advantageous to incorporate all services into a Trust model though any disadvantage may be countered by other non-financial advantages. A mixed economy of provision may therefore be more appropriate to maximise and secure savings.

The following sections describe the collaborative opportunities for each individual service related to the above operating model.



V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

### 4.3 Arts & Events

There is a strategic opportunity to bring together a number of elements of these services in a shared/collaborative capacity. The elements of this opportunity are:

Option 1: Joint Council run provision of Arts and Events

- Joint management structure designed to manage the service on behalf of both authorities.
- Joint strategic policy development and planning
- Collaborative theatre and events management and joint delivery of festivals
- Joint commissioning of programming and supplier management
- Joint contracting and shared use of common staff to support in times of high demand and backfilling arrangements
- Common IT platform which will yield, and efficiencies in online booking systems.

Option 2: Adopting a Trust model to provide Arts and Events

- This option will incorporate the same elements as specified above under a trust model.

#### Potential Benefits

The following key benefits are expected to be delivered if this opportunity were to be implemented:

- A rationalised and proportionate management and administrative function will be able to operate and support a consolidated service to reduce staff costs and reduce the need to employ agency/contractors.
- A combined Arts and Events service System/software rationalisation resulting in more efficient IT investments
- Procurement savings in common purchases (stationary, etc.) and commissioning of events and performances.
- Advantageous tax / NNDR regimes applicable to some types of trust arrangements.

#### Key Considerations

The following should be taken into consideration before this opportunity is pursued:

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

- Differences in IT platforms may require either integration or the replacement of one platform over another. Further work will need to be done to determine the cost/benefits of IT efficiency savings possible through software rationalisation.

### **Market Insights**

In the past some authorities have externalised to commercial operators, e.g. Apollo, the management of local authority theatres and entertainment venues. Others have looked to the local trust option as an alternative to in-house management. Whilst the trust option may not provide the same level of intrinsic financial advantage as it does with large sports facilities, there may be other advantages if the two elements are combined in a single package, e.g. reducing the overhead which results from separate management.

Whilst perhaps less usual, tourist information has also been externalised to the private sector by some authorities. However, as the experiences in Stratford-upon-Avon illustrate, this is not a guaranteed route to success. The Tourist Information Office in Stratford was located in a very advantageous position, yet it closed some months ago due to the operator's inability to make a sustainable profit without an increase in its local authority subsidy.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

## 4.4 Museums

There is an opportunity to combine across the following areas:

- Collections management and access
- Archives and archaeology services
- Creating a joint management structure
- Single education and outreach functions
- Event planning
- Joint provision of marketing and solely commissioned from the market

This opportunity could be implemented through a number of delivery options:

- Option 1: Joint council Museums service.
- Option 2: Museums Trust model.

### Potential Benefits

- Procurement savings would be achievable through greater purchasing power for common goods, consumables, and larger investments such as IT hardware and software licensing.
- Shared marketing will provide access to a larger pool of funds and will allow for a stronger collective marketing campaign, further building the brand of the museums and local authorities.
- Standardising IT platforms should result in a reduction to the number of required software licenses.
- Savings could be realised through creating a single back office support service.
- Consolidating and refocusing expertise and creating a single service with the right skills and experience may also result in a higher level of service than currently available.
- Advantageous tax / NNDR regimes applicable to some types of trust arrangements.

### Key Considerations

The following should be taken into consideration before this opportunity is pursued:

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

- Differences in IT platforms may require either integration or the replacement of one platform over another. Further work will need to be done to determine the cost/benefits of IT efficiency savings possible through software rationalisation.
- The scope of a shared back office support service should not be limited to Museum services; there are likely greater savings available for a broader shared service centre serving the local authorities.

### **Market Insights**

As illustrated through the previous / on-going work of Darlington officers, the benefits of external management of museums are likely to be limited. Whilst linking up the railway museums in Darlington and York may have some benefits, the arguments for externalisation of museums are questionable. There may be benefits in merging the managements across the Councils and with other cultural / leisure activities, e.g. through reduced overheads. However, whilst financial modelling is required to give a clear indication, transfer to a trust may not in itself generate financial benefits. Indeed, it may increase costs particularly as access to the Hartlepool facilities is not subject to charges.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

## 4.5 Leisure

There are a number of strategic opportunities that may be attractive to both Councils. These include:

- Efficiencies gained through a consolidated management structure
- Exploration of alternative maintenance service delivery models
- Expanded use of the voluntary sector

The following options are available:

- Option 1: Consolidation of the two authority's management structures to create a single, more efficient structure.
- Option 2: Development of a Trust based on similar models of trusts in the area such as Tees Active and Tees Valley Leisure.
- Option 3: Outsourcing of leisure management.
- Option 4: Maintain the current structures whilst exploring opportunities to collaborate on procurement and commissioning.
- Option 5: Combined Leisure Service which will operate under reduced service levels and refocused on the 'core business'.

### Potential Benefits

- Combining the management structures will reduce management overhead whilst minimising disruption to front line staff and maintaining business continuity.
- Collaborative procurement and commissioning will increase purchasing power resulting in lower unit costs for common purchases.
- Reduced service levels or alternative service delivery models (such as trusts) can drive cost savings by refocusing staff on the 'core business', sourcing specialty skills as required and exploiting the different tax / NNDR regimes applicable to some types of trust arrangements.

### Key Considerations

The following should be taken into consideration before this opportunity is pursued:

- Developing a single management structure without integrating front line staff from the two authorities will make it difficult to influence cultural change

Reducing service levels carries a level of risk in creating negative public perception.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

- Under an outsourced arrangement flexibility and changes to service provision part-way through the contract may result in additional costs which might not have been anticipated in the business case.

## Market Insights

There have been specialist commercial operators of local authority leisure facilities since Crossland Ltd (no longer in business) was established to manage the (then) new Arena Leisure Centre for Surrey Heath District in the early 80's. Since that time a number of operators have come and gone and some consolidation of the market has taken place, so that the main specialist commercial operators now are: D C Leisure, Parkwood Leisure, Leisure Connection, Serco and SLM. Recent Deloitte work for another authority would suggest that each of these organisations would probably be interested in tendering for contracts in Darlington and / or Hartlepool. However, if external operation is a consideration, there are now other options.

Whilst there have been a few leisure facilities operated by not-for-profit entities (trusts) for many years, since the mid-90's, this operator market has changed dramatically. Early adopters of the model such as Greenwich Leisure Ltd, Aquaterra, and CADSART quickly demonstrated the potential financial benefits for local authorities of adopting this option. Consequently, many authorities have followed their lead and there are now around 120 sports trusts managing local authority facilities in the UK. The key advantage of this option is the reduction in NNDR costs added to which there are often substantial VAT cost benefits.

The emergence of trusts as a preferred and particularly financially beneficial model has also had an impact on the specialist commercial provider market. These operators have seen their market shrink due to the tax disadvantages of their corporate model when compared to a (for example) charitable trust model. This has led to the development of hybrid commercial / trust models. These have been put in place by each of the organisations mentioned above. Whilst each of the models differ and have evolved over recent months, they all rely on a structure which endeavours to bring together the potential advantages of commercial operation and trust tax arrangements, i.e.:

- The scope to pull in the skills and resources a large corporate entity which is wholly focused on public sector leisure facility management
- The funding / investment resources of large corporate bodies
- The NNDR and / or VAT advantages of not-for-profit management entities

Which option is best for Darlington and / or Hartlepool will depend on a number of factors, e.g.:

- The quality and skills of the current management – The advantages of a trust transfer could easily be undermined if the quality of transferring management is poor, i.e. the team doesn't have the skills or drive to make the most of their independence. In these circumstances, procuring management by one of the specialist commercial providers (particularly using a hybrid model) is likely to prove more successful.
- The need for investment in the facilities – Whilst it will always be lower cost for

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

the local authority to use Prudential Borrowing, if this is not available or there is a desire to transfer the investment risk away from the public sector, a commercial operator is more likely to be able to raise commercial finance than a NewCo leisure trust

- The structure of any contract that involves a hybrid model – For these models to truly provide the not-for-profit advantages of true trusts, it is important to structure the deal so that profits cannot be leaked back to the private sector operator linked to the hybrid trust.
- The length of commitment that the Councils feel confident in entering into – Typically, commercial operators will require a reasonable contract period. However, in the current financial circumstances, many authorities are uneasy about committing to long contracts for non-statutory services. Annual break provisions in the arrangements are more likely to be an option with a NewCo local trust.
- The extent to which the authorities wish to integrate various leisure and cultural services – A transferring management is more likely to have the range of skills required to manage the diverse services of leisure, culture and libraries than one of the commercial organisations mentioned above.

In any event, recent EU procurement case law will require the Council(s) to go through some form of procurement process to transfer its services to another management organisation.

**N.B.** The government's white paper "Local Growth: Realising Every Place's Potential" includes proposals to pass the management of NNDR back to local authorities. Whilst the detail of this is still to be determined (and it may not happen), this could impact significantly on the financial advantages of trust models. However, due to the VAT and other benefits it may not undermine these completely.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

## 4.6 Libraries

There are a number of areas where collaboration could result in efficiency savings and yet provide a local presence and access to library resource. These could be delivered through the following options:

- Option 1: Collaboration between Hartlepool and Darlington councils in the following areas:
  - Combined policy development, strategic direction, service levels, priorities, and service direction
  - Single service operating the service across both geographies.
  - Purchasing and procurement savings, including joint purchase of online material, ICT system, etc.
  - Combining and expanding existing improvements to service delivery.
  - Sharing books and other learning resources between both authorities
- Option 2: Joint provision of Library services under a Trust model.
- Option 3: Joint cooperation between Hartlepool and Darlington could be a model for a larger Tees Valley library 'federation' with local democratic control of public facing services and shared back office support and management.

### Potential Benefits

- Consolidation of expertise, shared best practice, and greater efficiencies across authorities.
- Greater capacity and resilience in the use of resources across the two areas.
- Combining the service through sharing back office functions through lower staff and premises costs.
- Broadening this model across the Tees Valley, should increase the level of savings across the areas described above.
- Additional savings and service improvements can be realised through stock management and common IT platforms.
- Possible scope to exploit the different tax / NNDR regimes applicable to some types of trust arrangements.

### Key Considerations

The following should be taken into consideration before this opportunity is pursued:



V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

- Current contracts and subscriptions may defer some of the procurement savings envisioned. The regional purchasing agreement may also already be achieving some of the procurement savings attainable.
- The scope of a shared back office support service should not be limited to Library services; there are likely greater savings available for a broader shared service centre serving the local authorities.
- Given the current reductions in staff across both services, combining management tiers may only provide nominal savings.
- Limited potential to share mobile libraries as the authorities are not neighbours and it may be impractical and costly to share vehicles across each area.
- A Tees Valley Library service should be considered as a potential vision for the service. The challenges related to setting up such a model from the outset will create delays in terms of building consensus across all authorities with regards to the model of operation, level of retained control and expected level of benefits attributed to each organisation.

### **Market Insights**

Until very recently it has been unusual for public libraries to be managed by anything other than an in-house team. In the early 90's there were suggestions that the private sector might be invited to tender to manage libraries, but there was little interest. Since then, little has changed. In the US, there have been some moves towards private management of public libraries, e.g. in California Library Systems and Services manages over 30 of the municipal libraries. However, in the UK whilst an organisation called Instant Libraries was set up in the early 90's to provide a range of libraries services (subsequently bought by Tribal), little progress has been made in introducing private sector management. On the other hand, authorities have started to consider including libraries in the scope of newly formed leisure and cultural trusts. The first to try this was Hounslow and whilst they have since ceased using the trust model for libraries management, others, e.g. both Wigan and Peterborough, have gone down this road more recently.

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

## 4.7 Assessment against the Guiding Principles

This opportunity has been assessed against the guiding principles below:

- Option 1: Joint Cultural Services function delivering the full range of services on behalf of both authorities to their respective local populations.
- Option 2: Adopting a Cultural Services Trust Model

Evaluation Criteria	Option 1	Option 2
<b>1) To what extent does the option meet our key drivers?</b>		
1.1) Sustainable financial future	Collaboration on a broader Cultural Services-scale should sustain the services in some shape or form at a lower cost	Collaboration on a broader Cultural Services-scale should sustain the services in some shape or form at a lower cost depending upon the Trust arrangements.
1.2) Supporting democratic accountability and choice	Both authorities will continue to set the priorities for the service through their existing internal decision making structures.  Given the local nature of these services, the shared service will have the capability and capacity to administer the local choices set by the respective authorities	Both authorities will continue to set the priorities for the service through their existing internal decision making structures and contractual arrangements with the trust  Given the local nature of these services, the Trust will have the capability and capacity to administer the local choices set by the respective authorities
1.3) Shaping our own destiny	Given the funding reductions, such an opportunity should create flexibility for the service to re-shape	Given the funding reductions, the Trust should create flexibility and greater financial capacity <sup>1</sup> for the services

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

	itself going forward.	to re-shape itself going forward. An independent charitable trust will also have access to grants and funding sources not available to a local authority.
1.4) Stimulating and informing wider partnership	There is a potential for this opportunity to be broadened across the Tees Valley partnership to become a regional Cultural Services function.	There is a potential for this opportunity to be broadened across the Tees Valley partnership to become a regional Trust for Cultural Services.
1.5) Optimising outcomes for local people	The opportunity will have the ability to tailor itself to supporting local priorities given the local nature of the service.	The Trust will have the ability to tailor itself to supporting local priorities given the local nature of the service based upon local decision making, the scope to include local people on the board of directors and its (potential) charitable <sup>1</sup> objectives.
1.6) Sustainable and resilient communities	Many of the local outcomes related to Cultural Services can be supported through this opportunity.	Many of the local outcomes related to Cultural Services can be supported through this opportunity and may be enhanced through its charitable <sup>1</sup> focus (if set up as a charity)
<b>2) To what extent does each Council retain its sovereignty?</b>	<p>From an identity perspective, the public will not notice a difference in appearance of these services at the local level.</p> <p>Both council's will still have strategic control over the shared service.</p>	<p>From an identity perspective, the public will not notice a difference in appearance of these services at the local level. It will retain ownership of the assets and will be able to dictate service priorities through its continued funding* of the services</p> <p>The trust will be a fully independent body. The Council's control will be through its contractual arrangements and most importantly through the on-going need for Council financial support.</p>

V1.0 FINAL	Collaboration Feasibility Project: Culture and Leisure	08/06/11
------------	--	----------

<b>3) To what extent does the option bring additional benefits?</b>	This opportunity provides both councils with the ability to create resilience and capacity to continue the service in some shape or form to support local priorities and demonstrate a level of financial saving over the long term.	This opportunity will provide immediate financial benefits <sup>1</sup> over and above those of in-house collaboration and thereby optimise both councils ability to create resilience and capacity to continue the service possibly without significant service reduction..
<b>4) To what extent does the option support each Authority's strategic design principles?</b>	This opportunity supports the Council's design principles for improving service delivery and contributing to Council's savings.	This opportunity supports the Council's design principles for improving service delivery and contributing to Council's savings.

<sup>1</sup>A detailed analysis of the savings potential of the trust option and consideration of the various trust structures, e.g. a charity or not, will need to be undertaken to establish the level of potential benefits. However, the option has been extensively tested / implemented by local authorities across the UK and the experience to date is that the savings potential can be very significant and is maximised by using the charitable model.