

Corporate Improvement Scrutiny Committee Report

Report of: Interim Strategic Director

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## **Provision of classical music in the borough**

### **1. Purpose of Report**

- 1.1 To update councillors on progress in respect of the provision of classical music in the borough and to inform councillors of the proposals to the Executive at its meeting on 8 November 2012 to close the Guildford Philharmonic Orchestra (GPO) Service. This service is currently directly provided by the council and recommendation to the Executive will be to adopt an alternative approach, that is to grant aid an external organisation to secure classical music provision in the borough with effect from 1 April 2013.

### **2. Strategic Priorities**

- 2.1 The strategic priorities of immediate relevance are those of providing excellence and value for money and supporting a dynamic economy.
- 2.2 The Council has a key delivery target to keep council tax rises below inflation. The cost of delivering the GPO in its current format is equivalent to approximately two per cent of our council tax income. Councillors will be aware that we face a challenging financial future; budget deficits are projected over the medium term and we are seeking to identify additional savings in excess of those previously identified of around £1.5 million by March 2016. The government is in the process of changing the grant system from 2013-14 and the implications for the council are not yet clear but are unlikely to be favourable. Further reductions in government funding are expected in the next Comprehensive Spending Review which comes into effect in 2015-16.
- 2.3 The Council also has a key delivery target to sustain the borough's role as a centre for cultural, leisure and heritage provision. When the Council adopted this target the narrative referred to G Live, the Guildford Museum and our leisure centres but did not make specific reference to the GPO. Nonetheless securing

the ongoing provision of a range of classical music in the borough is clearly relevant to the target.

### **3. Background**

3.1 The Corporate Improvement Scrutiny Committee received a report at its meeting on 26 April 2012 on the ongoing cost to the Council of the direct provision of classical music through the GPO. The net cost, including support services, amounts to £190,000 per annum. The average subsidy is approximately £46 per ticket, which includes concert-goers living outside the borough. At the meeting the Committee resolved:

(i) To note that options for the future of the GPO will be considered by the Chief Executive and the Lead Councillor for Culture and Leisure in conjunction with partners and interested parties, and that a report outlining progress will be presented to the next meeting.

(ii) To request that a copy of the DCA report be sent to the Committee.

(iii) To agree the suggestion that the Committee should look more widely at the provision of arts and music in general in the borough and to refer this to the next agenda setting meeting on 2 July 2012 for consideration.

3.2 At the meeting on 14 June, Councillor Stephen Mansbridge gave an update on progress on behalf of the lead councillor. The DCA report dated January 2012 was circulated to all councillors. Councillors asked for further details regarding the cost of supplies and services which have also been circulated.

3.3 Subsequently, officers have explored a series of options, with the help of specialist consultants (DCA Consultants), and propose that the way forward which offers the best value for the Council is to cease providing the service and instead to support and encourage the performance of classical music in the borough via a grant (of up to £50,000 per annum) to an external organisation.

3.4 The proposed new model would place greater emphasis on classical music to engage young people and children and the inclusion of world music in addition to western art music. The provision of lunch time recitals, which are currently provided by the council under separate arrangements, would also be encouraged and included as an integral part of this grant process.

3.5 The council makes a very significant contribution towards the performing arts - £641,518 in grant aid, £419,640 in service level agreements, £190,000 for the GPO and c. £20,000 for lunch time recitals. This new model will save £98,500 per annum from 2013-14 onwards.

3.6 In order to ascertain the feasibility of the proposed approach letters were sent to six organisations known to the council asking if they would be interested in making provision of classical music in the borough. All six organisations indicated that they would be interested in doing so. In order to expedite matters an invitation to bid for funding will be sent to these organisations asking them to apply for grant funding. In the interests of fairness and transparency a notice will

also be placed on the council's website inviting other organisations to make an application. At its meeting on 8 November 2012, the Executive will be requested to agree that, following their receipt, the bids for grant funding will be evaluated by a panel comprising the lead councillor, Interim Strategic Director and the external consultants (DCA). The evaluation criteria will ensure that the quality and value for money of each bid is measured and scored in an objective and transparent manner.

- 3.7 In order to make savings from the beginning of the financial year 2013/14 the timetable is tight. If this proposal is approved consultations will need to take place for 30 days with the staff affected: this period will end on 6 December 2012. If the proposal remains unchanged, two posts will be made redundant and the post holders given notice that their contracts will expire on 31 March 2013. The bidders will be given six weeks to make an application for grant aid. The evaluation will then take a further two weeks. The Executive will also be asked to authorise the evaluation panel to make a final decision on the preferred organisation, which is expected to be made early in the new year.

#### **4. Financial Implications**

- 4.1 The 2012-13 estimates include a net cost of £190,000 (including support services and other recharges) for the Guildford Philharmonic Orchestra. After allowing for the grant up to (£50,000) and the costs that will remain with the council (£41,500), the proposed way forward would make a saving of £98,500 from 2013-14 onwards. Any redundancy costs incurred in 2012-13 will be funded from the Invest to Save reserve.

#### **5. Human Resource Implications**

- 5.1 If we were to discontinue the GPO, the two posts would be redundant and the employees would be at risk – either being redeployed or made redundant with the appropriate payment.

#### **6. Conclusion**

- 6.1 The council makes a very significant contribution towards the performing arts - £641,518 in grant aid, £419,640 in service level agreements, £190,000 for the GPO and c. £20,000 for lunch time recitals. The proposed way forward represents better value for money; and a fairer, more equitable and consistent approach with funding across the board by reducing unit costs. It is in line with good practice in other local authorities.

#### **7. Background Papers**

- a. Report to Executive on 29 January 2007 on Civic Hall Replacement
- b. Report on Guildford Philharmonic Orchestra to Corporate Improvement Scrutiny Committee on 26 April 2012.
- c. DCA report dated (January 2012) made available at the 14 June 2012 Scrutiny Committee meeting.