apse membership resources

Briefing 13-60 December 2013

# Trend analysis briefing: Civic, cultural and community venues

**To: All Chief Executives, Main Contacts and APSE Contacts**

Key Issues

- Civic, cultural and community venues are often essential hubs within local communities and contribute to local economic activity
- The sector is increasingly under pressure to recover its costs and to reduce subsidies to the services provided
- This trend analysis based on data from APSE's performance networks service looks at the current trends within the service and future considerations for the civic, cultural and community venues services provided by local authorities

## 1. Introduction

APSE performance networks is the UK's largest voluntary benchmarking service for UK local authorities. As part of this service data and performance reports are collated in the service area of civic, cultural and community venues. This trend analysis report is based on performance data and information collected during 2012 / 2013.

## 2. Current factors impacting upon civic, cultural and community venues

As a result of continuing budget reductions, the pressures on non-statutory services have increased significantly with leisure, cultural and community services being particularly hard hit. As this pressure continues the availability of high quality data is even more essential in order to make informed decisions on service provision. In terms of understanding trends within the service we have continued to focus on the higher profile financial indicators for year 15 (2012/13) as, ultimately, these will form the basis of value for money decisions.

Analysis is based on trends from 2000/01 (year 3) to 2012/13 (year 15) of performance networks.

There is significant variation in the nature of venues in terms of both the size and scope of the facilities, the catchments they service and their position in the service provision continuum.

The simplified performance networks model for civic, cultural and community venues introduced in 2007/08 continues through into year 15. The performance indicators have remained consistent now for the last six years, providing a stable basis for year on year comparisons.

## 3. Trend analysis

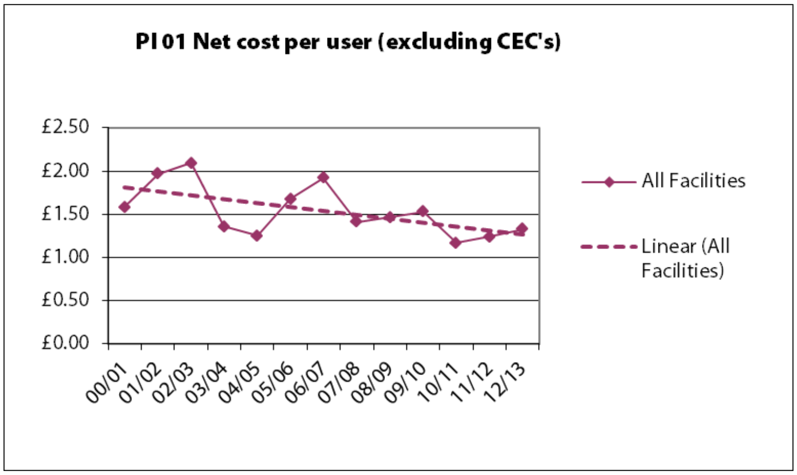
Civic, cultural and community venues have now been benchmarked within performance networks for 13 consecutive years. Trend lines have been included for all data graphs in order to show improvement or deterioration in performance.

These trend lines are used where the data set has linear characteristics, in this case the linear being performance over the years of the data collection. This briefing also shows whether the general trend for a particular performance indicator is either increasing or decreasing.

The purpose of this addition is to provide a picture of the "direction of travel", (a term regularly used by auditors and the now defunct Audit Commission) for the service as a whole to which performance can be compared.

### PI 01 - Net cost per user

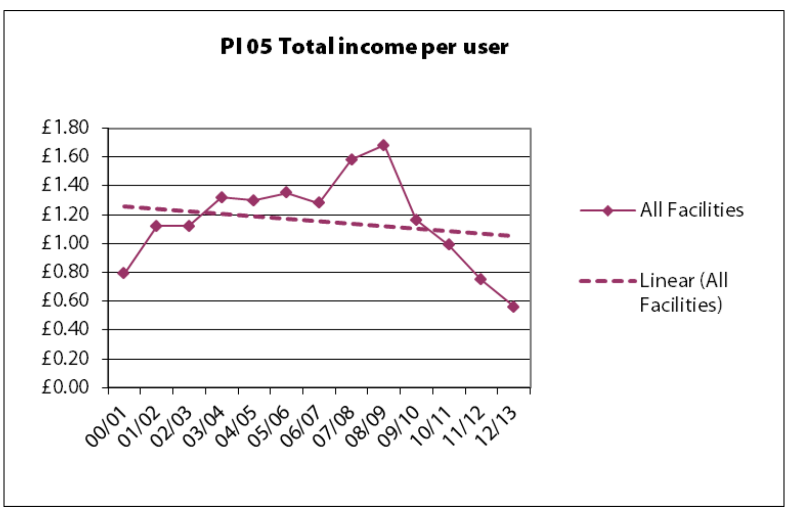
There has been an increase in the net cost per user (excluding CECs) from £1.24 in 2011/12 to £1.33 in 2012/13 or just under 7%. This rise is primarily attributable to community venues as the net cost per user for public halls has shown a slight decrease. The trend however, continues to see an overall reduction from the high point in 2002/03 of £2.09. This has been accompanied by continued improvements in operational recovery ratio (PI 08) and visits per household (PI 17a).




This trend continues to demonstrate the pressure on costs and the need to manage the service in an economic and efficient way.

**PI 05 - Total income per user**

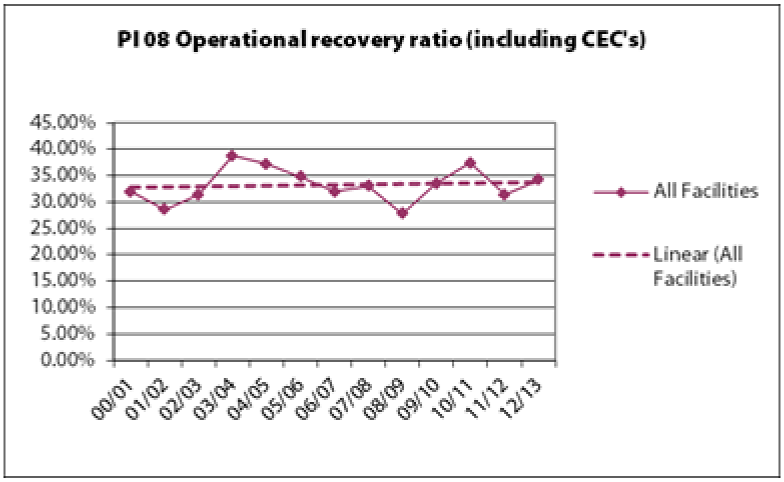
The key trend for this particular performance indicator is a continued reduction in the income per user which has gone down again from 0.75p to 0.56p or around 25%. This may be due in part to the mix of facilities submitting data but is more likely the continued economic situation and the social provision provided by many of the facilities, with pressure on venues to hold down prices and with users having less money to spend.




The reduction over the last 4 years has been particularly marked with public halls faring much worse than community venues on this particular indicator. This can be partly attributed to the continuing problems within the wider economy with individuals and families by and large having less discretionary income available to them and therefore commensurate reductions in the amounts spent per user.

**PI 08 - Operational recovery ratio**

Each year we refer to this PI as the "barometer" or "general health check" indicator.




It shows total operational income divided by total annual venue expenditure.

Whilst this indicator showed a decline in 2011/12 it has gone up to 34.17% in 2012/13 which is back above the level achieved in 2009/10.

The overall trend line is exhibiting a fairly "flat" trend, indicating generally static performance.

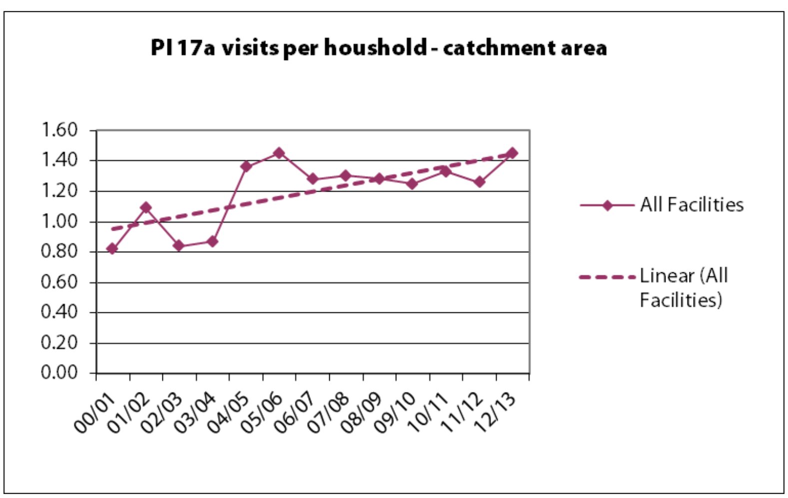
**PI 11 - Staffing costs as a percentage of total costs**

Staffing costs as a percentage of total costs have seen a marked reduction over the past year from 65.29% to 55.06%. Whilst recent years have seen, a general upward trend there was a significant increase in 2011/12 which could have been down to the mix and type of facilities within the overall sample. This year however there has been a return to the slow but steady rise in this particular performance indicator at 55.06%. Over a period of time the trend has been consistent and it will have significantly affected PI01 and PI 08. Overall the trend is that of steady but slowing rise.


## PI 17a - Visits per household – catchment area

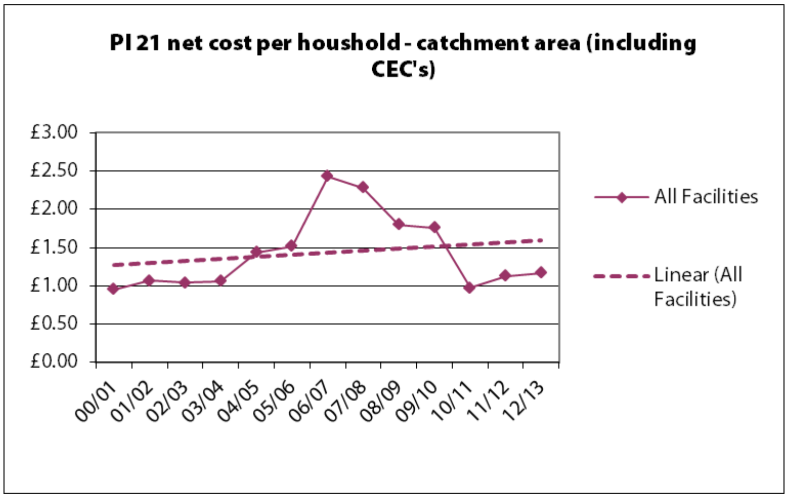
Last year showed a decline of 0.7 from 2010/11 although the overall trend has shown strong improvement over time. The figure of 1.45 for 2012/13 illustrates that this is continuing.

Strong growth early in the development of the model has slowed significantly in more recent years. But this could be due, in part to facilities reaching their “natural” saturation points for usage or simply the effect of years of economic difficulties for customers.



**PI 21a - Net costs per household – catchment area**

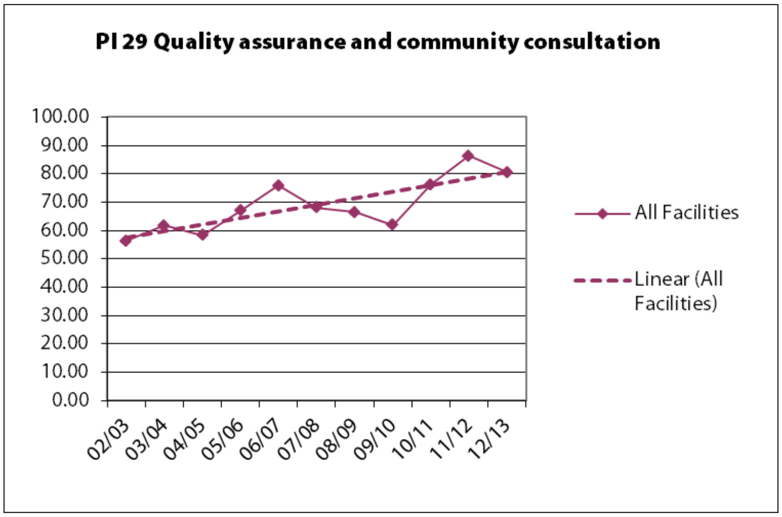
Having fallen for several years, net costs per household rose for the first time in 2011/12 since 2005/6. This trend is again evident in 2012/13 with the net cost increasing from £1.13 to £1.17. Given the performance reported in other areas, this result is not unexpected but is not really what would have been predicted. Increases in staff costs as a percentage of total costs over time (as reported in PI 11) could also have made a significant contribution to this result.




Trends here are generally showing an increase, however much of this is due to the "spike" in costs in 2006/7 and 2007/8. Taking out those middle years and despite this year's actual result, the trend would be downwards and hence, improving.

**PI 29 - Quality assurance and community consultation**

Last year (Year 14) there was a sustained improvement for this performance indicator following an increase in the previous year. In 2012/13 the is data showing consistently high levels of performance with scores of 80.56 which is only slightly down on the previous year. Driving quality as well as financial performance is essential to the overall success of services and in very difficult financial circumstances it is satisfying to see this continuous improvement approach being taken.




## 4. Interpretation of data and APSE comment

Each year, the trend analysis for this service comes with a small health warning; it must be stressed that changes in the number and actual venues participating in performance networks can affect the overall results but the internal control mechanisms and the maturity of the model do ensure a tried and trusted performance and comparability system.

The data contained in this analysis is the overall average and the context and performance of individual facilities need to be taken into account. It does however; provide a most valuable comparative tool from which to gain further evidence, help and support to assist with any programme of improvement.

Overall, taking into account the wider economic position the sector continues to provide value for money services for local communities. The sector also contributes to wider outcomes in terms of providing community based hubs and putting to good use local assets to provide meeting spaces, community theatres, play groups , leisure activities and a range of other uses.

The sector has many good examples of innovative use such as afternoon film clubs for older people and community cafes which generate both income and assist in the well-being or older people and other vulnerable groups. The sector will however need to continue its operational cover ratios and contain costs rises in the current climate. Innovation will increasingly form a part of the delivery models for local civic, cultural and community venues many of which are regarded as part of the essential suite of local public services by the local communities which they serve.

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