

1. Executive Summary Lawrence Graham Report

- 1.1 The Cultural Services Department has high performing services. It has strong policy drivers and vision.
- 1.2 In the 2006 Audit Commission report the service was quoted as a service that was performing well and consistently above the minimum requirements (three star).
- 1.3 PCC has a unique range of successful cultural services with potential.
- 1.4 There is enthusiastic and committed staffs with strong community support for some facilities.
- 1.5 We have reviewed earlier reports produced by PCC on options for the service and consider the evaluation in support of the NPDO approach to be robust as opposed to any private sector option.
- 1.6 There are considerable advantages of the NPDO approach including annual net NNDR savings of over £390,000, net VAT savings in excess of £75,000, community involvement, possibility of accessing development finance with continued PCC involvement. There are also some disadvantages and risks.
- 1.7 The single NPDO for all the facilities together with sport and arts development is recommended not only by Lawrence Graham but was also recommended in the Best Value Review of 2004 which analysed the option of more than one NPDO. We see no reason to depart from the Best Value Review and therefore we have not explored the option of more than one NPDO to manage the facilities within this report.
- 1.8 In addition to the single NPDO model we have been asked to consider the possibility of transferring the crematorium to the NPDO through the use of a trading subsidiary.
- 1.9 The reasons for the NPDO approach are outlined in Chapter 4 and PCC could minimise the risks by preparing a robust business plan in the implementation phase of the project and a seven year grant-funding regime. Part of the robust business plan will provide that transfer should take place by way of long lease although a licence arrangement is also possible.
- 1.10 Income generation would be important for the services and for their continued success as well as the sustainability of the NPDO and there are opportunities which could be undertaken and exploited.
- 1.11 The next phase of the project should be undertaken to develop a business plan for an NPDO prior to transfer to the NPDO.
- 1.12 The Council have undertaken a review of support services which will need to be considered in more detail in conjunction with the implementation stage.
- 1.13 The NPDO should be a charitable company limited by guarantee. The Council may also wish to explore the option of establishing a non-charitable subsidiary of the NPDO to undertake any trading activities and to possibly take transfer of bereavement services. Appendix H outlines the key issues PCC will need to take into consideration when considering whether to transfer the bereavement services.
- 1.14 PCC would maintain considerable involvement with the NPDO through board membership, grant funding, the landlord/tenant relationship and managing the relationship.
- 1.15 PCC will need to undertake some advertising under the procurement rules. PCC has the necessary powers to create and/or effect and/or transfer to an NPDO.

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