



***POLICY AND RESOURCES SCRUTINY COMMITTEE***

***10.30am MONDAY, 13 OCTOBER 2014***

***COMMITTEE ROOMS 1/2 - PORT TALBOT CIVIC CENTRE***

**PART 1**

1. To receive any declarations of interest from Members
2. To scrutinise information and monitoring issues being reported by:
3. Joint Report of the Chief Executive, Director of Finance and Corporate Services, Head of Corporate Strategy and Democratic Services, Head of Human Resources, Head of ICT, Head of Financial Services and Head of Legal Services (*Pages 1 - 76*)

**S.Phillips**  
**Chief Executive**

**Civic Centre**  
**Port Talbot**

**Thursday, 9 October 2014**

## **Committee Membership:**

**Chairman:** Councillor D.W.Davies

**Vice Chairman:** Councillor A.Jenkins

**Councillors:** Mrs P.Bebell, A.Carter, Ms.C.Clement-Williams, M.Harvey, Mrs.L.H.James, A.Llewelyn, A.R.Lockyer, Mrs.K.Pearson, Mrs.S.M.Penry, L.M.Purcell, A.J.Siddley, J.Warman, I.D.Williams and Mrs.A.Wingrave

### **Notes:**

- (1) *If Committee Members or non-Committee Members wish to have relevant items put on the agenda for future meetings, then please notify the Chief Executive/Chair eight days before the meeting.*
- (2) *If non-Committee Members wish to attend for an item of interest, then prior notification needs to be given (by 12.00 noon on the day before the meeting). Non-Committee Members may speak but not vote, or move or second any motion.*
- (3) *For pre scrutiny arrangements, the Chair will normally recommend forthcoming executive items for discussion/challenge. It is also open to Committee Members to request items to be raised - though Members are asked to be selective here in regard to important issues.*
- (4) *The relevant Cabinet Board Members will also be invited to be present at the meeting for Scrutiny/ Consultation purposes.*
- (5) *Would the Scrutiny Committee Members please bring the Cabinet Board papers with them to the meeting.*

## POLICY AND RESOURCES SCRUTINY COMMITTEE

13<sup>TH</sup> OCTOBER 2014

### CHIEF EXECUTIVE'S OFFICE

**JOINT REPORT OF THE CHIEF EXECUTIVE,  
DIRECTOR OF FINANCE AND CORPORATE SERVICES,  
HEAD OF CORPORATE STRATEGY AND DEMOCRATIC  
SERVICES, HEAD OF HUMAN RESOURCES, HEAD OF ICT,  
HEAD OF FINANCIAL SERVICES AND HEAD OF LEGAL  
SERVICES**

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## **ITEM 1**

### **1. BUDGET STRATEGY PROPOSALS 2015/16**

#### **Purpose of Report**

- 1.1 To provide Members of the Policy and Resources Scrutiny Committee with relevant information concerning the budget strategy proposals for 2015/16 and beyond with a view to aiding the scrutiny of those proposals.

#### **Background**

- 2.1 The Council has been advised by the Minister for Local Government to plan for a reduction in the settlement from Welsh Government in 2015/16 of up to -4.5% and for similar orders of settlement in the following two years. This change in the amount of funding that local government gets has created an unprecedented funding gap for Neath Port Talbot Council and other councils across Wales. More specifically, for 2015/16 the Council will need to deliver £23 million of savings in 2015/16 to achieve a balanced budget with some £50 million to be cut from expenditure in the next three years. This amounts to 10% of spending in 2015/16 and 25% of spending over the three year period.
- 2.2 All areas of the Council will be required to reduce spending over the three year period. In some areas services will cease altogether, in other areas, services will reduce or be delivered in very different ways.
- 2.3 Over the summer months heads of service and corporate directors have been working up proposals for achieving the required level of savings. The output of that work was set out in a report to the Cabinet on 1<sup>st</sup> October 2014 by the Corporate Directors' Group "Budget Strategy for 2015/16 (and beyond)".

- 2.4 Additional scrutiny committee meetings have been arranged at the request of the Chief Executive to ensure that Members of scrutiny committees have a full opportunity to scrutinise the proposals set out in the report of 1<sup>st</sup> October, prior to the Council setting the Council Budget in early 2015.
- 2.5 This report provides each scrutiny committee with a copy of the proposals that have been authorised by the Cabinet for public consultation. Where considered appropriate, officers have also provided supplementary information to inform the scrutiny process. Clearly, Members of the Scrutiny Committees may also request additional information should they consider that necessary.

### **3. Papers Included for Policy and Resources Scrutiny Committee**

- 3.1 The following reports are included for consideration by the Policy and Resources Committee
- (a) Cabinet Report 1<sup>st</sup> October 2014 – Report of the Corporate Directors’ Group “Budget Strategy for 2015/16 (and beyond);
  - (b) Cabinet Report 10<sup>th</sup> September 2014 – Report of the Director of Finance and Corporate Services “Budget Savings Proposals 2015/16 – Corporate Services”.
  - (c) Supplementary Information

### **4. Recommended**

- 4.1 That Scrutiny Members consider the information provided with this report and scrutinise the budget proposals for 2015/16 and beyond identified for the Chief Executive and Finance and Corporate Services directorates.

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**CABINET**  
**1<sup>st</sup> OCTOBER 2014**

**REPORT OF THE CORPORATE DIRECTORS GROUP**  
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## **Part 1**

### **Purpose of the Report/Introduction**

1. To explain the scale of the budgetary challenge facing the Council; the component parts; the principal reference points (including the legal duty to secure continuous improvement<sup>1</sup>); the proposed process/timetable and proposals for addressing the situation.
2. **It is important to underline that this report does not invite Members to set next year's budget now**; but subject to their guidance, consultation with citizens, equality impact assessments and other matters, Part 2 and Appendix 1 of this report outline the main savings proposals that officers propose to include in the Budget report to Council on 4 February 2015 (or alternatives of equal monetary value) to ensure that the Council meets its legal duty to produce a balanced budget.
3. The consensus of the Corporate Directors Group is that there are no significant and deliverable areas of savings that have not been explored or are not currently being explored. Accordingly the room for manoeuvre, in our view, is strictly limited.

### **Background**

4. There is little to be gained from outlining at length the history of the current climate of austerity. It has already been well documented over a period of several years. The two essential points are that UK Government's significant cuts to public spending are set to continue for the medium term and the Welsh Government's relative protection of local authority expenditure came to an end in 2014/15.
5. Going forward it is highly likely that, within the constraints of its finite budget, the Welsh Government will prioritise spending on the NHS over local government. This was reflected in a letter from the former Local Government Minister of 24 June when she warned Councils to expect reductions of up to 4.5% in revenue budgets for 2015/16. **The assumptions/estimates in this report are largely based on that figure. It would not be prudent to do otherwise.** Accordingly, we anticipate cuts of this magnitude when the Welsh Government publishes the provisional Local Government Settlement on 8 October. **It is also important to note that even if the totality of these proposals were**

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<sup>1</sup> Under the Local Government (Wales) Measure 2009 – see Part 2 below also



**implemented, the Council would still be some £2.8 million short of a balanced position currently. The position will therefore need to be reviewed again once the provisional settlement is published.**

6. Table 1 below summarises the current position for the Council and how it has evolved since Members set the 2014/15 budget on 30 January. The bottom line is that having taken out some £17 million then, the Council faces more or less the same challenge this year.

*Table 1- £m*

	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>Total</b>
Budget Gap Jan 2014	17.3	9.5	5.6	5.9	38.3
Budget Gap Sept 2014	0	22.8	14.9	11.7	49.4
<i>Directorate Savings</i>	n/a	-7.0	-1.9	-1.0	-9.9
<i>Central Savings</i>	n/a	-1.1	-1.1	-1.0	-3.2
<i>Remaining Gap</i>	n/a	14.7	11.9	9.7	36.3

### **How has this position evolved?**

7. Table 1 demonstrates that the estimated budget gap has risen by over £13m for 2015/16 and by over £28m for the three years to 2017/18. There are two reasons for this: a sharp increase in the level of projected cuts and additional pressures which impact negatively on the budget position.
8. First, the projected level of cuts. The original Welsh Government indicative figure for 2015/16 was a 1.5% cut in the Revenue Support Grant (RSG); but it has been clear for some time that this would not represent the reality. Officers therefore updated the assumption to -3% earlier this year and the Minister's letter increased it by half as much again. For subsequent years, previous indications of zero to -1% have been replaced by an estimated 3% cut per annum. Headline figures can also be misleading. Previously, transfers in and out of the RSG and formula changes (largely based on population) worked against the Council and represented approximately a further 1% cut in actuality. We await the details for 2015/16.
9. As each percentage point reduction represents more than a £2 million loss of revenue, the cumulative effect is to increase the deficit by £9m million for 2015/16 and an additional £20m over the three year period.

10. Second, additional pressures. These take a number of forms. The Director of Finance listed them in detail at the Member Seminars in July and, for the current year, in the Budget Monitoring report for the first quarter. The following list is not exhaustive; but highlights the main pressures:

- Pay (2% per annum); general inflation (2% per annum); LGPS and Teachers Pension costs (increasing by 1.5% and 2.3% respectively over the three year period) plus various contracts by either the Consumer Prices Index (CPI), the Retail Prices Index (RPI) or a combination of both. The cumulative effect here is to increase the deficit by another £20m over the three year period;
- Internal budget pressures e.g. Home to School Transport plus increases in out-of-county placements and Care Home Fees. Other factors also have an influence including changes in pupil numbers;
- Previous Forward Financial Plan (FFP) savings not delivered in full e.g. the maintenance of sports fields;
- UK Government changes to national insurance abatement regulations (this alone will cost the Council £1.4m and schools an additional £1.7m in 2016/17);
- In year cuts to Welsh Government specific grants including Sustainable Waste Management plus reductions to a range of education grants expected shortly. Increasingly, it is difficult for the Council to rely on Welsh Government figures as they are subject to change and are published very late in the budget cycle (or not at all in some areas) making service planning difficult. Against this background, it may prove necessary in future to make assumptions that only part of any initial grant award will be available and reduce provision accordingly. The Council cannot commit to a level of service when the resources available to support it are so uncertain; and
- This analysis currently excludes additional initiatives that may increase the pressure because they are uncosted or the full cost remains unclear e.g. the two year extension of the Council Tax Reduction Scheme and the implementation of the Social Services and Well-Being Act. Across the full range of Council functions, a common feature is that the level of statutory duties continues to increase whilst the resources to deliver them goes the other way. Moreover, despite the policy emphasis on (largely local government)

preventative services, the national budget priorities are clearly reactive services (e.g. hospitals).

11. The sum total of the cuts and additional pressures (carefully reviewed by officers over the summer) explains how the situation has worsened significantly. Table 2 captures the position below:

*Table 2- £m*

	<b>2015/16</b>	<b>3 years to 2017/18</b>
Welsh Government Cuts	9	20
Inflation and Pay Awards	7	20
School Protection/Pupil Numbers	1	4
National Insurance/Pension	1	5
Legislation/Court	1	1
Social Care Pressures	2	3
Other Services Pressures	2	5
Less savings from prior years		-8
<b>Funding Gap</b>	<b>£23m</b>	<b>£50m</b>

### **How have officers approached the task: Priorities and Values?**

12. As last year, our starting point was the Council's Corporate Plan 2014-17. Not everything can be a priority; but the retention of our six improvement objectives (listed below in Table 3) provides important continuity of purpose. However, the context has changed in certain respects due to the extent of the ongoing cuts.

*Table 3*

1. Improve outcomes for children in need and children looked after by improving the performance of the Council's Children and Young People Services Department.	This remains our joint top priority; but can no longer be exempted from the requirement to produce savings (see Part 2 below).
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2. Raise educational standards and attainment for all young people.	Our other joint top priority. Some protection is retained; but less than previously as large cuts have already been made/or are proposed in the area of Leisure and Lifelong Learning.
3. Maximise the number of adults who are able to live independently with or without support within the home of their choice within their community.	The Western Bay collaborative seeks to improve and integrate services; but local changes to the delivery of services are also essential.
4. Support and invest in our town centres and communities to promote economic growth, regeneration and sustainability to maximise job opportunities and improve access to employment.	Increasingly, the objective will be to continue to lever in resources from elsewhere as the Council does not have the money itself. This is a continuation of an existing approach e.g. Neath Town Centre.
5. Increase the percentage of waste recycled and composted.	The next target is 58% by 2015/16. The roll-out of our Waste Strategy is proceeding (within the constraints of reduced grant funding – see above).
6. Improve customer/citizen access to services and functions provided by the Council, or on behalf of the Council, and to improve the efficiency of those services and functions.	This is increasingly about better services from fewer buildings, transferring more services online and bearing down on the costs of employment (e.g. sickness absence).

13. Certain values, clearly articulated by Members over time, have also guided officer thinking. These include the following:

- The Council's business is to protect the vulnerable and disadvantaged and invest in our young people to the maximum extent possible. This remains a touchstone for our approach;

- However, such has been the impact of cuts in previous years on “visible services” (largely run by Environment Directorate e.g. grass cutting, winter maintenance and school crossing patrols) and the level of public concern, this package of proposals does not contain further disproportionate cuts in these areas. Further savings are necessary; but the focus is equally on the other two front-line Directorates and the corporate centre as they now account for over 80% of the Council’s revenue budget between them;
- The Council provides public services for public benefit. However, it is clear that it will be difficult to sustain some in-house services in the short to medium term. Although invariably high quality, they are also higher cost and, if retained in-house, could well result in greater cuts being made to other services. These include the following (and need to be read against the section of this report at page 16 below entitled “The Impact on Council Staff”):
  - Adult Social Care where the Council is engaged with the Wales Council for Voluntary Action (WCVA) and NPT CVS to create a not-for-profit Social Enterprise model or Local Authority Trading Company (LATC) for the future delivery of services. This would involve the transfer of Council services to the Social Enterprise and, over time, reclaiming contracts from the independent sector where providers prove unable to meet the increasing complexity of service user needs (thus freeing up resources by eliminating the profit element in these contracts). It would also be predicated upon protecting existing terms and conditions to the maximum extent possible and for as long as possible. Thus, public value is secured from a different model;
  - Some services are increasingly uncompetitive e.g. the Print & Graphics Unit recently lost the last of its major external contracts;
  - The Welsh Government is changing its own service models e.g. consulting on a new arms-length model for the South Wales Trunk Road Agency (SWTRA);
  - An expansion of the remit of Celtic Leisure to include a greater range of Council services; and
  - Delivery of services by third parties (e.g. adult community learning – see Part 2 below).

14. Basically, the longer the status quo prevails, the greater the risk to employment. Not all these changes are deliverable by 1 April 2015; but some will be needed during the course of the next financial year. A further report will be submitted to the Cabinet on more detailed options for future service delivery.

### **How does this process stand up against external assessment?**

15. The basis for this analysis is the Auditor General's report of 28 January 2014. This summarised how Councils in Wales were responding to the budgetary challenge. A summary of the key findings are reproduced in the table at Appendix 2 with the Council's self assessment alongside. Many of these issues will be covered in the Corporate Assessment of the Council conducted by the Wales Audit Office (WAO) earlier this year (that report is imminent); but they are relevant here as context - and several are factors in this report.

### **The Budget process going forward**

16. Against the background described above, there are a number of considerations which need to be taken into account:

- This report assumes that savings identified in the Forward Financial Plan (FFP) 2013-18 will be delivered. The proposals here are, by necessity, on top of existing savings – not instead of them. Appendix 1 lists the new savings; but an updated version of the FFP as a whole will be submitted to Council in due course;
- It is essential that the Director of Finance (and the Corporate Directors Group) is in a position immediately after Christmas to offer Members definitive advice to finalise the 2015/16 Budget, including the level of Council Tax going forward. It is therefore necessary to secure guidance from Members now;
- Some key reports have already been presented to the Cabinet Scrutiny Committee and Cabinet<sup>2</sup> – and further reports are in the pipeline. A further Member Seminar took place on 25 September;

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<sup>2</sup>A range of reports have been/or will shortly be presented to Cabinet and the Cabinet Scrutiny Committee. These have broadly been grouped by Directorate. Those covering the Environment Directorate and Corporate Services on 10 September; Education and Lifelong Learning Directorate on 25 September and Social Services Health & Housing subsequently.

- A new departure this year was the Partnership Event on the Budget which was held on 8 September with more than 100 people in attendance. In addition to Members, a range of key partners were invited including all of the Local Service Board (LSB), other partners, Trade Unions, the regulators and others. The outcomes from the Event have informed this report and will do so equally in subsequent discussions in, for example, Scrutiny Committees;
- Extensive consultation is necessary with service users, partners, staff and trade unions on a range of issues. This dialogue is a two-way street - not just the Council initiating the discussion and there is national guidance to support this in some areas<sup>3</sup>;
- In terms of the workforce, the Staff Council remains a key forum for dialogue; but other meetings have been organised with trade unions and Joint Consultative Committees will also continue;
- The Leader of Council has put in place strengthened Scrutiny and governance arrangements (see the report to Council dated 2 July 2014). These are particularly relevant to the Budget process where Scrutiny Chairs are now developing their own work programmes in response so as to inform final decisions in the New Year;
- The Council must have regard to equality impact assessments in all decisions. Work is ongoing to ensure that budget proposals are assessed against guidance from the Equality and Human Rights Commission (EHRC). With this in mind, the Council also held a Community Cohesion event on 18 September (involving partners such as Cytun, the BME and LGBT Forums; the Older Persons Council and the Disability Network Advisory Group); and
- Typically, a three month notice period is required for service contracts with third parties. It is only fair and reasonable to allow those who may have reduced funding time to plan for a change of circumstances by notifying them early with the caveat that final decisions may not have been taken. The alternative would be last minute, short notice, remedial action providing no opportunity to properly plan for 1 April 2015. This is not in the interests of service users, partners or the Council and it has previously led to legal challenges to the decision making process elsewhere.

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<sup>3</sup> The Older Person's Commissioner for Wales "Effective Engagement with Local Authorities Toolkit for Older People": July 2014 (distributed in NPT through the Older Persons Council)

## **Part 2**

### **What it means for Council Services**

17. This section of the report explains the detail of the proposed cuts listed in full at Appendix 1 and grouped by Directorate.

18. The analysis that follows should be prefaced by three comments (which were relevant last year and are equally applicable now):

- It is not possible at this stage to identify the precise impact on an area or electoral ward because final decisions have not been taken. The principle is that services will be sustained to the maximum extent across the County Borough; but ever since the inception of the FFP in 2008/09 the Council has adopted a “use it or lose it” approach to service delivery which is in sharper focus now;
- There is no point in pretending that the impact will not eventually be felt in terms of performance in some areas. In key areas of the Corporate Improvement Plan, performance continues to improve (e.g. children’s services on the 8 priority measures agreed with CSSIW and on recycling); but elsewhere performance is more variable. With much less money and fewer staff, some services will stop (e.g. tourism services and special events last year) and others will take longer to deliver;
- Some commentators predict that as the squeeze continues the ability of Councils to meet statutory duties will be at risk. Some policy makers seem to regard the existence of statutory duties as a guarantee of service delivery. This is wrong; but Council staff have demonstrated their professionalism and commitment time and again in difficult circumstances. This is evidenced by the latest (2013/14) all-Wales performance data. The Council has 18 indicators (out of 44) in the top quartile compared to 10 the previous year whilst the position in the bottom quartile is the exact reverse. At the time of writing, a full report was scheduled for the Policy & Resources Scrutiny Committee and Council shortly; and
- What follows is not an exhaustive list. There are further details in the appendices; but additional cuts will be needed if these savings are not delivered and/or the overall position deteriorates further. On the other hand, all of what follows is subject to the on-going



consultation and statutory processes described above and cannot therefore be regarded as definitive.

- 19. Again, whilst not seeking final decisions now, Members are invited to note that this analysis is also based on a Council Tax increase of 4.99% for 2015/16. This is the maximum permissible before the Welsh Government's "cap" would very probably be applied.**

### **Environment**

20. The key issues were reported to Cabinet and Cabinet Scrutiny Committee on 10 September; but are summarised below for completeness.
21. It is proposed to end all local authority bus subsidies (saving £234,000). This proposal is currently out for public consultation; but there are wider, more fundamental, policy issues alluded to in Part 3 of this report below.
22. At Gnoll Country Park, the proposal here is to reduce the subsidy/increase charges to reduce the budget by £142,000 per annum.
23. On Biodiversity and Countryside, there would be an £88,000 cut in funding for this activity. This reduces the services to align more with statutory requirements.
24. It is proposed to remove the subsidy on the two staff canteens in Port Talbot and Neath on the basis that there are alternative outlets nearby for staff to use (saving £100,000). This could involve closure of both if the subsidies cannot be removed in another way. Effectively, these facilities compete with local businesses in both the Aberafan Centre and in Neath Town Centre. The option of also closing the Quays canteen has been discarded as the above considerations do not apply and there is no subsidy involved.
25. As one off (non-recurring) income generation, the Council proposes to dispose of a limited number of paintings and artefacts plus Twyn yr Hydd House. Earlier proposals to find an alternative use for the latter (e.g. a training centre) have not proved commercially viable. Together, these disposals could raise approximately £1 million.

## **Education, Leisure & Lifelong Learning**

26. Budgets here are being squeezed by a number of factors (in addition to those outlined above). The 1%+ commitment – see below – and the requirement to increasingly delegate to schools in recent years (the figure is now at 84%) means that there is much reduced resource available to fund central services which were previously provided to schools free or heavily subsidised. The scope for realising savings on the non-schools proportion of the total budget (approximately 25%) is also very limited and a number of measures have already been introduced in these areas (e.g. the transfer of libraries to the community). These proposals were reported to Cabinet Scrutiny and Cabinet on 25 September, where more detail is to be found.
27. Against this background, the proposal is to reduce funding to schools to a level where the commitment to provide 1% above the settlement received by the Welsh Government from Westminster is met at least over the totality of the current National Assembly term. This produces a saving of £774,000 on the schools delegated budget.
28. Various school-based and central services would be cut. These include outdoor education (field studies); the Physical Activity and Sport Service (PASS); music tuition; the school counselling service; governor training, school cleaning and minor school adaptations. The cost of the Welsh translation service would be recovered from other budgets. These (and other measures) would realise approximately £750,000 of savings. In addition, funding streams including Families First would be reduced to save a further £80,000.
29. Youth Service provision would be cut to save £100,000 with the focus in future on areas of greatest identified need (largely the most deprived areas);
30. A further £190,000 of savings have been identified in the Library Service including the decommissioning of a mobile library.
31. The Summer Play Schemes would cease saving £90,000.
32. Adult Community Learning provision would transfer to NPTC Group (NPT College). Welsh Government funding was cut by circa 25% for the current financial year. This won't save money of itself; but with large cuts expected again for next year and the service, as currently configured, is no longer viable.

33. The Leisure Trust subsidy would be reduced by the closure of Cymmer Swimming Pool and Hengwrt Barn where usage/footfall is very low. At Pontardawe Swimming Pool, the facility is reaching the end of its natural life despite high usage. The cost of repairs – at over £2m – is unaffordable. Any future replacement depends, in part, upon the robustness of the Council's new contract with Celtic Leisure and the ability of the Trust to generate sufficient surpluses to fund future borrowing<sup>4</sup>.
34. Other leisure/arts services would face cuts totalling some £300,000. Those affected include the Gwyn Hall, the Princess Royal Theatre, Pontardawe Arts Centre and grants to various community and voluntary organisations.
35. Community and other facilities would also be closed, scaled back or transferred to third parties during the course of the next financial year. This would save some £400,000.

### **Social Services, Health & Housing**

36. On Children's Services, a year-on-year target reduction of 26 Looked After Children (LAC) per annum is proposed. This is something the Council has delivered during the last year and should continue to aspire to regardless of the budgetary position. The Council has had far too many LACs at double the Welsh average and three times the English average. Hence the emphasis on better working relationships with the courts and improved permanency planning in the intervening period. Whilst the care of LACs has been (and always will be) the guiding priority; a reduction in numbers is now essential for budgetary reasons also as LAC placements are very expensive, particularly the out-of-county variety. A reduction of 26 would yield annual savings of approximately £700,000.
37. The Transforming Adult Social Care (TASC) programme has been at the heart of the Council's change programme for several years. The cost of these services is £44m annually plus managements costs of £5.6m. A number of initiatives are proposed.
38. Strengthened contracting and commissioning arrangements to ensure optimal outcomes and value for money. This is an area of significant

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<sup>4</sup> NB A separate report on the renegotiation of the Council's contract with Celtic Leisure will follow, although the contract will allow for the Council to vary the provision of services provided by the Trust.

weakness in the past where further improvements must be made. It is also linked to the Western Bay programme.

39. The Director of Social Services, Health and Housing is developing restructuring options designed to save an estimated £1.2m per annum on the costs of production.
40. The Council consulted widely on modernising day services and service user assessments are now complete. These changes are now being implemented and the target saving is approximately £500,000 per annum.
41. In other related services, proposals are being put forward to save a further £500,000+. These include Mental Health plus “Pathways To Independence” - including placement budgets and a significant increase in those service users utilising direct payments (currently less than 10%; but needs to be at least 40% by the end of 2015/16).
42. The Integrated Community Care teams (the Western Bay business case was approved in May 2014) are likely to attract further support from the Intermediate Care Fund or its successor.
43. A further £250,000 saving is targeted from the new Supporting People Commissioning arrangements.
44. The decommissioning of the under-occupied and out dated Gelligron residential and respite unit realising savings of £200,000 per annum.
45. Further reports will be submitted to Cabinet/Cabinet Board as required.

#### **Corporate or cross-Directorate**

46. *Senior Management/Trade Union facility time*: Continuing the trend of recent years, reductions in senior management posts are proposed. In the ELLL department, 3 Heads of Service would be reduced to 2. In the Environment Directorate, 4 would be reduced to 3. In addition, the newly appointed Head of Human Resources has been advised that one senior management post would be lost as an indirect consequence of her promotion. It is also proposed to achieve a saving in relation to the Council’s trade union facilities time agreement by reducing or discontinuing one full-time Green Book secondment position and by

reducing some time off arrangements for teaching association representatives (funded by the ELL Directorate).

47. **Sickness absence:** It is proposed to introduce tougher improvement targets for areas of the Council<sup>5</sup> where the level of sickness persists above the Council average of 9.19 days. The additional cost of those services with above average sickness rates is £1.2 million per annum and this is a significant factor in why many of these services are increasingly uncompetitive. The Council cannot sustain this position and the target saving is £500,000 per annum.
48. **Procurement:** There are a range of savings proposed across service areas (notably in Social Services) designed to reduce expenditure on goods and services.
49. **Digital/Online services:** What this means is a move towards more on line services with less telephone and face-to-face contact. Public information would be produced in downloadable format not printed and new technology in the call centre to promote this way of working.
50. **Other issues:** It is proposed to reduce opening hours for the cashiers' service in line with a move to more on line services. That would realise a saving of £50,000.
51. There are a range of savings proposals covering ICT, legal services, financial services and others (although the Welfare Rights Team is currently exempt) plus further cuts to CCTV, customer service functions, stationery and other minor budgets. These would realise £300,000 plus.
52. **Reserves:** Officers have conducted a full analysis of reserves (both specific and general). There has been media comment suggesting that at a total of £700 million across Wales, there is considerable scope for Councils to deploy these reserves to alleviate the need for cuts.
53. Whilst a judicious use of reserves has a part to play (they did last year and will continue to be applied to funding the VR scheme), this analysis is flawed for three main reasons:

- First, the Auditor General has said<sup>6</sup>:

<sup>5</sup> ELLL (Schools, Catering & Cleaning and other support services); Community Care & Housing; Engineering & Transport; Property & Regeneration and Street Care.

<sup>6</sup> Report of 28 January at paragraph 1.6 – see list of Background Papers.

*“A growing concern is that some authorities may be over-relying on balancing their budgets by using reserves, rather than restructuring services to reflect budget reductions”*

The implication is clear. Councils who over-deploy reserves can expect criticism or even intervention in extreme circumstances.

- Second, as Table 2 above illustrates, the projected level of the Council’s budget gap over the next now exceeds the total level of reserves anyway; and
- Third, reserves by their very nature are non-recurring. Accordingly, they do not solve budget problems and, to a large extent, only “kick the can down the road”.

### **The Impact on Council Staff**

54. Appendix 1 contains a column identifying the number of posts at risk, and full-time equivalents, as a consequence of the savings proposed.

55. So far, the Council has largely avoided compulsory redundancies (outside of schools) mainly as a consequence of the 2013 Workforce Agreement; but each passing year and the increasing magnitude of the cuts makes that job harder. However, this remains the objective and the Council will continue to deploy its Voluntary Redundancy scheme (recently modified and re-launched); restrict recruitment to essential exceptions only and continue to apply redeployment policies in an attempt to achieve that goal. **However, it should be noted that whilst the Council’s priority is to protect jobs, the trade unions nationally see the priority as to protect terms and conditions.** Doing both is next to impossible in the circumstances we face as staff costs account for some 60% of the Council’s total budget.

56. In line with a commitment given to the trade unions, officers have reviewed the position on the implementation of the Living Wage (currently £7.65 per hour outside of London); but have concluded that it is not affordable in the current financial climate as a straight additional cost (although an alternative mechanism for achieving it is identified in Part 3 of this report below).

## **Part 3**

### **Savings considered but not included in the proposals**

57. The purpose of this section is to illustrate the full extent of the work done by officers over the summer period by listing some areas which have been explored but, for the reasons explained, **NOT** included in the package of savings proposals:

Reducing Social Services Expenditure to the Standard Spending Assessment (SSA) levels	This would produce major savings; but would represent too blunt an instrument and potentially risk service delivery and the discharge of statutory obligations.
Further cuts to delegated schools budget	The 1%+ commitment described in this report is essentially political not legal; but failure to meet it is likely to result in criticism of the Council.
A reduction in the Council's working week from 37 to 36 hours per week	Possible savings of up to £2m p.a. (part of which could be used to fund the implementation of the Living Wage – see above). This is likely to be strongly opposed by staff and the trade unions as it would involve a reduction in pay of 2.7% at a time when Unison, GMB and Unite members are nationally taking strike action to secure an improvement in this year's national pay offer of circa 1%. Implementation of this measure in NPT would require a collective agreement (through trade union ballots) or unilateral imposition through dismissal and re-engagement.
Declining Welsh Government funding where the cost of delivering the service exceeds the funding to deliver it.	The Concessionary Fares scheme is one example. This costs the Council £300,000 more than we receive to administer. This is unsustainable and, arguably, the cuts in these subsidies (national and local) question the future viability of the scheme.

<p>Redirecting Community Benefit Funds (e.g. wind farms) to sustain front-line public services</p>	<p>This may be an option in future; but the rules around existing funds largely preclude the option. There would strong localised opposition in all probability; but the argument in favour is that there is no point in funding new services if existing ones are being lost.</p>
<p>Collaboration</p>	<p>Some initiatives are important and others will be taken forward for non-financial reasons; but increasingly the cost of participation in most Beecham/Simpson-style activities is greater than any return.</p>
<p>Further closures of community and leisure facilities based upon building conditions and usage</p>	<p>For example, the Vale of Neath Leisure Centre where usage has dropped sharply.</p>
<p>Withdrawal from the Welsh Local Government Association (WLGA) and other subscriptions</p>	<p>Savings could total £100,000+; but subscriptions typically involve a notice period, so many are not deliverable for 1 April 2015 in any event.</p>



## **Part 4**

### **Recommendations**

That Members:

- 1.(a): Note the extent of budget shortfall facing the Council for 2015/16 and the three years to 2017/18, based upon Part 1 of this report;
- 1(b): Note that officers will provide further advice based following the Provisional Local Government Settlement on 8 October 2014 and the Final Local Government Settlement on 10 December 2014 where the proposals in this report may need to be modified;
- 1(c): Comment, as thought fit, on the various assumptions and analysis contained in this report (Parts 1 to 3);
2. Agree that officers prepare a budget proposal to bridge this gap informed by the analysis in Part 2 of this report (or alternatives of equal monetary value);
3. Authorise officers to conduct the various consultation/engagement processes with service users and external partners plus Trade Unions and staff to be completed by Christmas to enable the Council to achieve a balanced budgetary position in the New Year; and
4. Refer this report to the Scrutiny Committee Chairs for further discussion as thought appropriate (including the next meeting of the Policy & Resources Scrutiny Committee).

### **Reason for Proposed Decisions**

To achieve a balanced budget position for 2015/16 and discharge the Council's statutory duties in this regard and those of the Section 151 officer.

**Appendices:**

1. List of Proposed Budget Savings 2015/16
2. Council self assessment against the Auditor General's report on factors local authorities should take account of in responding to the budget challenge

**List of Background Papers (in chronological order)**

Modernising Day Services Business Case: Social Care, Health & Housing  
Cabinet Board: 12 December 2013

*Meeting the Financial Challenges Facing Local Government in Wales:*  
Wales Audit Office: 28 January 2014

Social Services Health and Housing Cabinet Board: Western Bay  
Community Services Business Case: 14 May 2014

Strengthening and Modernising Arrangements in Neath Port Talbot  
County Borough Council: Report to Council 2 July 2014

Letter from Lesley Griffiths AM: 24 June 2014

Letter from the Chief Executive to Elected Members: 11 July 2014

Presentation by the Director of Finance & Corporate Services to the  
Member Budget Seminars: 14 & 17 July 2014

Budget Monitoring Report (Quarter 1) – Cabinet & Cabinet Scrutiny: 30  
July 2014

Corporate Improvement Plan: 2014-17

Cabinet/Cabinet Scrutiny Committee Agendas and reports: 10 & 25  
September 2014

**Wards Affected**

All

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## **COMPLIANCE STATEMENT**

### **A Budget Strategy for 2015/16**

#### **(a) Implementation of Decisions**

The decision is proposed for implementation after consultation with the relevant Scrutiny Committee and consideration and approval by Cabinet.

#### **(b) Sustainability Appraisal**

Economic Prosperity	-	Negative
Education & Lifelong Learning	-	Negative
Better Health & Wellbeing	-	Negative
Environment & Transport	-	Negative
Crime & Disorder	-	Negative

#### **Other Impacts**

Welsh Language	-	Probably negative
Sustainable Development	-	Probably negative
Equalities	-	Negative
Social Inclusion	-	Negative

#### **(c) Consultation**

These matters are subject to comprehensive internal and external consultation as discussed in the report.

## Appendix 1

### Budget Saving Strategies for Consultation

Ref	Description		Lead Officer	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
ELLL1	CYPE	Delegated Schools Funding	AT	Cash limiting the Schools Delegated Budget Quantum to 1% above the Welsh Government Settlement, this would lead to a reduction in Budget Shares for all of our schools.	774.0				
ELLL2	ECR	Review the current stock of 12 community centres or community education/enterprise centres	AE	Where maintenance or transfer is not achieved closure of facilities would result in less educational, community events, sporting, healthy living, family contact and youth and playgroup facilities across the County Borough.	450.0			5	
ELLL3	ECR	Reduce the current Physical Activity and Sports Service core budget.	AT	Reduced activity within the Physical Activity and Sports Service. Reduce or withdraw subsidies to sport associations and governing bodies. Grant funded activities will continue.	150.0			8	
ELLL4	ECR	Withdraw community arts activities	AT	Reduced community arts provision across the County Borough.	35.0			2	
ELLL5	CYPE	Core funding to the Youth Service to be reduced.	AE	Rationalise youth club provision with fewer opportunities for young people to participate in youth provision	100.0				
ELLL6	CYPE	Welsh translation service to recover 100% of costs through increased charges to service users	AT	Service users will incur an increased cost based on charges for this service being revised in line with market rates	70.0				1.25
ELLL7	ECR	Negotiate the transfer of Arts Administration service to Celtic Leisure at a reduced cost	AE	Possible displacement of staff. Transfer of responsibility of marketing to leisure trust which leads to ELLL9 below.	68.0			0	0
ELLL8	ECR	Reduction in subsidies to theatres and arts centres.	AT	Potential Reduction to opening hours of these facilities and/or a reduction of performance programme.	140.0				
ELLL9	ECR	Secure NNDR Savings through transfer of facilities to either community ownership or Celtic Trust	AT		46.0			0	0
ELLL10	ECR	Reduce subsidy to Celtic Leisure.	AE	Celtic Leisure will be required to secure greater efficiency and commercial return on investment.	75.0			0	0
ELLL11	ECR	Range of efficiency measures to library services to include reduction in book fund, decommission of one mobile library and reduction in cleaning costs.	AE	Reduce book lending provision across the County Borough.	190.0			1	
ELLL12	CYPE	Vacancy management - Reduction of one Head of Service	AE	This will result in increased managerial responsibilities for the Senior Management Team.	100.0			1	1
ELLL13	CYPE	Renegotiate union facilities time to realise 50% reduction	AT		25.0			0	0
ELLL14	ECR	Reduce core budget at Margam Park	AT	Potential impact on opening hours and range of services provided.	100.0				
ELLL15	CYPE	Reduce school based counselling and restructure current service	AT	Reduce access to school based counselling service across all Secondary Schools.	25.0				
ELLL16	CYPE	Summer playscheme provision to be withdrawn.	CM	Reduced access to play for children across the borough during the summer holidays	90.0				12.49

## Budget Saving Strategies for Consultation

Ref	Description		Lead Officer	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
ELLL17	CYPE	Reduce families first base budget	AE	Expectation of increased efficiencies in the allocation and administration of grant funding	80.0				
ELLL18	ECR	Reduced contribution to Blaengwynfi Miners Hall	AE	Potential closure of the facility with current activities displaced to other local community facilities e.g. Penafan Community School.	45.0			0	0
ELLL19	CYPE	Withdraw the adaptations and improvements budget	AT	These cost will have to be met by schools	93.0			0	0
ELLL20	CYPE	Reduce contributions to voluntary organisations	CM	Potential decrease in community activity within the borough	20.0			0	0
ELLL21	CYPE	Renegotiate contribution to Field Studies Council	AT	This will lead to increased charges for pupils attending the Outdoor Education Centre.	130.0			0	0
ELLL22	CYPE	Full cost recovery on cleaning service to schools	AT	Increased costs funded from primary and special schools budgets.	130.0			0	0
ELLL23	CYPE	Transfer the costs of School Licence fees to schools	CM	Costs would have to be met by schools	50.0			0	0
ELLL24	CYPE	Review residual management post.	AE	Possible displacement of member of staff.	67.0			1	1
ELLL25	CYPE	Review financial support for LLAN Coordinator/Governor Training	CM	Apply full cost recovery principle to governor training via SLA. Increased cost to schools.	30.0			0	0
ELLL26	CYPE	Reduce music tuition base budget.	CM	Reduced access to music provision across the county borough	50.0				
ELLL27	ECR	Potential reduction in budget at Cefn Coed Colliery museum	CM	Potential further reduction in public opening hours	20.0			0	0
ELLL28	CYPE	ERVR trawl	AE	Reduction in capacity and/or expertise	200.0			TBC	TBC
ELLL29	CYPE	Reduced base budget for School Improvement Service	CM	The service will prioritise its support for schools according to identified the need.	70.0			0	0

SSHH1	SCHH	Workforce - Senior management restructure	C Marchant	Review of senior management structures	290.0			6.0	5.8
SSHH2	SCHH	Establish common commissioning unit incorporating community care, supporting people and children's commissioning functions	C Marchant	Review structure and reduction in capacity	90.0			3.0	2.4
SSHH3	SCHH	Social workers/OT's - review of skill mix and intensive OD programme to move social work teams from a focus of care management to well being and community connection	C Marchant	Better use of non-social work qualified workforce	82.5	82.5		10.0	10.0
SSHH4	SCHH	Reduction of number posts per social work team	C Marchant	Need to minimise the impact on quality and timeliness of response	150.0			5.0	5.0
SSHH5	SCHH	Day Opportunities - review of workforce skill mix	C Marchant	Use of Apprentices	75.0	75.0		5.0	5.0
SSHH6	SCHH	Sickness Management cover costs	C Marchant	Target reduction in sickness costs	250.0				

## Budget Saving Strategies for Consultation

Ref	Description		Lead Officer	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
SSHH7	SCHH	Amalgamate the social work QA function within the adult safeguarding team	C Marchant		35.0			1.0	1.0
SSHH8	SCHH	Restructure within housing options and housing renewals and adaptations	C Marchant		150.0			4.0	4.0
SSHH9	SCHH	Additional Savings from the Pathways to Independence project (PTI), reducing the cost of care packages	C Marchant	Mental Health	122.0				
SSHH10	SCHH	Additional Savings from the Pathways to Independence project (PTI), reducing the cost of care packages	C Marchant	Physical & Sensory Support	45.0				
SSHH11	SCHH	Additional Savings from the Pathways to Independence project (PTI), reducing the cost of care packages	C Marchant	Learning Disabilities	500.0	250.0			
SSHH12	SCHH	Review of contracts with Hafal and Shaw Trust	C Marchant		80.0				
SSHH13	SCHH	Gelligron residential and respite unit for people with mental health problems	C Marchant	The current services are consistently under occupied and the service model is to be modernised.	100.0	100.0		4.0	4.0
SSHH14	SCHH	Supporting people grant, review of specific services	C Marchant	Welsh Government have advised Authorities to prepare for a substantial cut in the SP grant for 2015/16 so there maybe a degree of risk in identifying further savings	250.0				
SSHH15	SCHH	Reduce subsidy from COASTAL Housing for extra care	C Marchant		49.0				
SSHH16	SCHH	Work with providers to minimise the impact through active exploration of alternatives to sleep-ins.	C Marchant	Ensure appropriate service delivery arrangements are in place to reduce costs and eliminate pressure	580.0				
SSHH17	SCHH	Maximise housing rental income	C Marchant		35.0				
SSHH18	SCHH	Increased income from care home residents	C Marchant		100.0				
SSHH19	SCHH	Reduce transport expenditure by 10%	C Marchant		115.0				
SSHH20	SCHH	Assistive Technology	C Marchant	Reduce Costs	14.0				
SSHH21	SCHH	Assistive Technology	C Marchant	Increase charges	23.0				
SSHH22	SCHH	Remove care home quality scheme	C Marchant	Quality scheme implemented will be good practice and supported by a recognition scheme rather than any financial incentive	259.0				
SSHH23	SCHH	Cap fee levels paid to Mental Health and all Disability service providers to current or lower level.	C Marchant	Adverse Service Providers Response	259.0				
SSHH24	SCHH	Implement full cost recovery model for community meals	C Marchant	Transfer staff from Environment	150.0			3.0	3.0
SSHH25	SCHH	Modernise Day Opportunities Disability Services	C Marchant	Generate income via micro enterprises and reduced costs	100.0			3.0	3.0

## Budget Saving Strategies for Consultation

Ref	Description		Lead Officer	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
SSHH26	SCHH	Reduce placements budgets (including increased uptake of direct payments) and implement Local Area Co-ordination model	C Marchant	This will result in reduce demand on in house services		1,000.0			
SSHH27	CYPE	Children's Services - Reduce placements budget to reflect fewer LAC per annum from 2015	A Jarrett	Reduction of 26 Looked After Children per annum	700.0				
SSHH28	SCHH	Review and restructure of services within the Business Services Division.	A Thomas	Preserve right number and mix of foundation apprentices to experienced staff	60.0			4.0	4.0
SSHH29	SCHH	Remodel the administration of the Complaints Service	A Thomas	Reduction of 1 fte	30.0			1.0	1.0
ENVT1	ECR	Reduce subsidy to Canteens	G.Nutt	Potential closure of 2 Canteens	100			19	7.5
ENVT2	E&H	Reduced subsidies to bus operators	D.Griffiths	Potential reduction in Public Transport, inevitably some residents will have difficulty accessing jobs and services.	234			0	0
ENVT3	E&H	Reduce subsidy for Gnoll Country Park	M.Roberts		142			8	4.9
ENVT4	E&H	Public Lighting	M.Roberts		126			0	0
ENVT5	E&H	Bus Shelter	M Roberts	Reduce maintenance by 10%	5			0	0
ENVT6	E&H	Street Naming	M Roberts	Reduce maintenance by 10%	5			0	0
ENVT7	ECR	Port Talbot Civic Centre NNDR	G Nutt	Saving re Princess Royal Theatre	40			0	0
ENVT8	ECR	Sandfields Young Business centre	G Nutt	Increase to Rental Income	5			0	0
ENVT9	ECR	Biodiversity and Countryside	N. Pearce		88			1	1.6
ENVT10	ECR	Building Control & Planning	N. Pearce	Reduce Costs/Increase Income	50			2	1.5
ENVT11	E&H	Reduction in Senior Management	G.Nutt	Will impact on capacity	100			1	1
ENVT12	E&H	ER/VR	All Env	This is in addition to the existing £150k target	275			13	13
ENVT13	E&H	Feasibility budget	G Nutt	15% budget cut	24			0	0
ENVT14	E&H	Staff training budget	All Env	Further cut to reflect decrease in staff numbers	5			0	0
ENVT15	ECR	Neath Civic Centre	G Nutt	Income from Solar Panels	5			0	0
ENVT16	E&H	Community Transport	D. Griffiths	Fuel efficiency	25			0	0
ENVT17	E&H	Pelenna Mine	G Nutt	Potential transfer of responsibility to Coal Authority	26			0	0
ENVT18	E&H	Corporate Capacity	D Griffiths	Reduce budget by 10%	24			0	0
ENVT19	E&H	Cemeteries	M Roberts	Reduction in casual staff	10			0	0
ENVT20	E&H	Savings to be developed	All Env		225				
CORP 520	P&R	Corp 520 cannot be achieved due to delays by the DWP in implementing their proposed changes to benefits administration	D Rees	Alternative savings have had to be found and are included as part of 2015/16 - see below.	-57.0	-27.0	-27.0	0	0
FS1	P&R	Increased income generation from the Court Deputy service	D Rees	Introduction of new charges and development of a joint adult family placement scheme with Bridgend, which will require the establishment of a new post at grade 5	30.0			0	0



## Budget Saving Strategies for Consultation

Ref	Description		Lead Officer	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
FS2	P&R	Reduce the opening hours of the cash offices at both Neath and Port Talbot Civic Centres, plus efficiency savings in the cashiering service.	D Rees	Reduced hours of service available to the public, and customers having to wait longer to be served. The aim will be to achieve the reduction in hours via the VR scheme; if this is not achievable then reduced hours of work offered to staff and/or redeployment of staff	50.0			3	2
FS3	P&R	Review and re-structure of services within the financial services division to allow a number of staff to leave on VR.	D Rees	This will mean a significant reduction in terms of the staff resources available within the Finance Division. This can only be achieved by thoroughly reviewing the services provided. Whilst these reviews create efficiencies, there will still be an inevitable diminution of the services provided alongside increased workloads and pressure on the staff that remain.	165.0			7	4.5
FS4	P&R	Wales Audit Office (WAO) fees	D Rees	Reviews of working practices to create greater efficiencies which will lead to the reduced requirement for inspection and hence charges from WAO.	30.0			0	0
FS5	P&R	Use of 2014/15 underspend to meet savings target in 2015/16.	D Rees	The 2015/16 shortfall will be met in 2016/17.	32.0	-32.0			
FS6	P&R	savings to be identified	D Rees	Staff ER/VR over 2 years		259.0	227.0	22	16
CORP528	P&R	re modelling of functions/services	K Jones		-61.0	-54.0	-50.0		
CORP531	P&R	de clustering of customer services officer posts	K Jones		-13.0				
CPRP533	P&R	reduce staff as services are placed on line	K Jones		-30.0				
CORP538	P&R	Reduce stationery budget	K Jones		-10.0				
CORP541	P&R	modernise democratic services - reduce staff costs	K Jones		-25.0				
CSDS1	P&R	Performance Audit Fees	K Jones	Reduced cost of WAO performance audit fees	26.0			0	0
CSDS2	P&R	Reduce Elections Team Staffing Resource	K Jones	Less resilience within elections team.	7.0			1	0.5
CSDS3	P&R	Income Target for Division	K Jones	Seek out income opportunities, mainly grant funding, to reduce pressure on council revenue budget	15.0			0	0
CSDS4	P&R	Reduce stationery budget in Democratic Services	K Jones	Streamlined committee administration and greater reliance on electronic methods of working for both officers and elected members	10.0			0	0
CSDS5	P&R	Complete winding up of Change Management and Innovation Unit	K Jones	No dedicated corporate capacity to support the council's change agenda	170.0			5	5
CSDS6	P&R	Reduce capacity in customer services	K Jones	Reduction in service performance	40.0			2	2

## Budget Saving Strategies for Consultation

Ref	Description		Lead Officer	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
CSDS7	P&R	Introduce revised access to services policy across council	K Jones	Move to a digital by default policy. This will mean minimising the public information printed with people expected to use downloadable information; increasing the number of service available on line and increasing public take up of those services; introducing new technologies in the corporate contact centre to minimise the number of call handling staff required there.		200.0	100.0	10	10
CSDS8	P&R	Further review of CCTV operation to further reduce costs	K Jones	Options could include reducing the availability of the service further, recharging the cost to partners with a view to full cost recovery or transferring the service to another provider at no/minimal cost to the council		80.0	80.0	8	8
CSDS9	P&R	Further streamlining of democratic and corporate support following completion of modernisation programme	K Jones	Efficiency savings from modernisation programme			50.0	1	1
CSDS10	P&R	Use of 2014/15 underspend to meet savings target in 2015/16.	K Jones	The 2015/16 shortfall will be met in 2016/17.	121.0	-121.0			
CSDS11	P&R	Strategies to be identified	K Jones			95.0	20.0		
Page 32 COR525	P&R	HR - rationalisation and remodelling of functions and service	Sheenagh Rees	Staff reductions	-43.0	-38.0	-36.0		
COR526	P&R	HR/Unions	Sheenagh Rees	Staff reductions	-33.0				
HR32	P&R	Increase income from Hillside SLA to reflect level of service demand. Current provision of £8k per annum does not reflect the service required.	Sheenagh Rees	With increased income the HR team will be able to continue to provide the service required by Hillside. Without increased income the service will reduce to match funding provision.	25.0				
HR2	P&R	Reduce Corporate Training & Development Management Development / Leadership Development budget	Sheenagh Rees	Reduced provision of management and leadership development. This will adversely impact upon the Council's ability to deliver the Council's change programme.	20.0				
HR3	P&R	Reduce administrative support staff and professional support staff across HR / Health & Safety / Occupational Health / Training & Development NB: this includes planned FFP reductions of £31k / £38k / £35k over the 3 years (3 FTE)	Sheenagh Rees	Significantly reduced capacity across the 4 teams. Some work will be transferred to managers, a less flexible service will be available, some work will not be done and delayed response times in relation to some parts of the service. There are some significant risks attached to reducing capacity that will impact on supporting Disciplinary Grievance Investigations, supporting Managers in relation to Sickness Management, reducing the ability to support construction design and management projects together with other Health & Safety work and reducing Corporate Training and Development activity.	156.0	131.0	129.0	15	12.72

## Budget Saving Strategies for Consultation

Ref	Description		Lead Officer	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
HR4	P&R	Reduction in seconded trade union representatives budget	Sheenagh Rees	Reduced capacity within the seconded trade union team to participate in the Council's business - delays in formal processes and restrict TU ability to engage with the Council / work in partnership		7.0	7.0		
LS1	P&R	General Admin Savings	David Michael		20.0				
LS2	P&R	Reduction Coroner budget	David Michael	Joint Service with Swansea Council potential variation caseload	20.0				
LS3	P&R	Staffing Child Care	David Michael	Loss of trainee post	25.0			1	1
LS4	P&R	Legal Services	David Michael	Loss of trainee post	25.0			1	1
LS5	P&R	Increase income target Registrar	David Michael		10.0				
LS6	P&R	Recharge to Licensing/ increased income	David Michael		10.0				
LS7	P&R	Staffing	David Michael	Risk of destabilising teams. Need to reduce workload		115.0		4	4
LS8	P&R	Staffing	David Michael	Risk of destabilising teams. Need to reduce workload			100.0	3	3
LS9	P&R	Use of 2014/15 underspend to meet savings target in 2015/16.	David Michael	The 2015/16 shortfall will be met in 2016/17.	15.0	-15.0			
ICT1	P&R	ERVVR - realised in 2014/15	Steve John		64.0			2	2
ICT2	P&R	Reduce supplies & services budget	Steve John	increased risk and reduce the ability to develop systems and undertake training on new software releases. Will impact on service delivery			37.0		
ICT3	P&R	Reduce contribution to IT renewals reserve	Steve John	Reduce ability to replace infrastructure and hardware, to support service delivery and implement new technology. Will place demand on councils capital programme.		77.0			
ICT4	P&R	Efficiencies	Steve John	Recharge costs to projects, bring future year savings forward	60.0	-30.0	-30.0	2	2
ICT5	P&R	Strategies to be identified	Steve John	Realising the further savings identified for each of the following years will require staff reductions and a re-configuration of support contract spend; the exact detail of which is yet to be determined. The remaining budget will be directed at the Council's priority projects with the result that some works will be delayed whilst others will be removed from the programme altogether.	126.0	153.0	193.0	11	11

**TOTAL**

**10,630.5    2,307.5    800.0    209.0    179.2**

It should be noted that there remains a budget gap of £2.8m even if all of the current potential savings values are delivered.

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**CABINET**

**10 SEPTEMBER 2014**

**REPORT OF THE DIRECTOR OF FINANCE AND  
CORPORATE SERVICES – MR H JENKINS**

**INDEX OF REPORT ITEM**

**Doc. Code: CAB-100914-REP-FS**

<b>SECTION A – MATTER FOR DECISION</b>		
<b>Report Item</b>	<b>Page Nos.</b>	<b>Wards Affected</b>
1. Budget Savings Proposals 2015/16 – Corporate Services		All

## **SECTION A – ITEMS FOR DECISION**

### **BUDGET SAVINGS PROPOSALS 2015/16 – CORPORATE SERVICES**

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

- 1.1 To consider the budget savings proposals for Corporate Services for 2015/16 and approve the progression to consultation with staff, Trade Unions and stakeholders.

#### **2. Background**

- 2.1 The Welsh Government has recently indicated that Councils across Wales can expect cuts of up to 4.5% for 2015/16. Together with Pay Awards, inflation and other pressures this requires Neath Port Talbot CBC to seek budget savings of £23m for next year and £50m over the next 3 years. This report is being presented as part of Neath Port Talbot Council's overall package of proposals which have been developed in response to this unprecedented cut in the Council's budget during 2015/2016 and the anticipated similar cuts over the following two years.
- 2.2 For 2014/15 Council has approved a budget of £18m to Corporate Services. This covers the following service areas:
- Financial Services
  - ICT and Procurement
  - Legal and Corporate Services
  - Chief Executive's Services including Members, Corporate Strategy, Communication, Access to Services and CCTV
  - HR including Health & Safety and Resilience

#### **3. Proposed Budget Savings 2015/16**

- 3.1 Targeted savings of an additional £1m for 2015/16 and £800k per annum for 2016/17 and 2017/18 are being sought from the Corporate Services budget. This is in addition to the £703k, £149k and £143k respectively approved by Council on 30<sup>th</sup> January 2014 for those 3 years.
- 3.2 This totals £1.7m for 2015/16 and £3.6m over the 3 years.

- 3.3 Given the significant increased target for 2015/16 the majority of the management time has been allocated to proposals for the next financial year. Further work will be carried out over the next six to twelve months to further firm up proposals for future years.
- 3.4 Members should note that as some 80% of the budget is spent on employees most of the required savings must also be achieved from this area.
- 3.5 Attached at Appendix 1 is a schedule of the proposed savings being progressed by the Corporate Services Management Team and Service Managers. Members will note that at the beginning of some Heads of Service sections there are some amendments/clarity required to existing FFP proposals and these are shown as negative amounts but these are compensated by other alternative proposals.
- 3.6 In relation to specific proposals the following comments are highlighted for Members consideration:

### **Financial Services**

#### **FS1 – Court Deputy Service - £30k**

The Council is currently tendering together with Bridgend Council a joint Adult Family Placement Scheme. This requires support to be provided to individuals who are unable to look after their own financial affairs and since Bridgend Council does not provide this Court Deputy service at present, discussions are ongoing to provide a joint service in due course. An additional member of staff will be required if agreement is achieved with Bridgend together with new technology but these additional costs will result in additional income estimated at £30,000 over total costs.

#### **FS2 – Cashiers Service - £50k**

This proposal is to reduce the opening hours of the Cash Offices at both Neath and Port Talbot Civic Centres together with encouraging Council Taxpayers and other payees to utilise electronic payment methods.

### **Chief Executive's Services**

The new proposals are shown under references CSDS1 – CSDS11. For 2015/16 Members will note that these include some additional income

targets, reduction in running costs, the winding up of the Change Management & Innovation Unit, the deletion of posts in Elections and Corporate Strategy and a reduction in Customer Services. Further work is necessary to identify the savings proposals for future years as mentioned in CSDS7 through to CSDS11. It is also anticipated that there will be savings in the current year's budget that will need to be carried forward to 2015/16 to balance that year's budget.

### **HR Services**

The 2015/16 savings proposals are identified under references HR1, 2 & 3 and will mainly impact on additional income being sought from Hillside and a reduction in Corporate Training and staffing across HR, Occupational Health, Health & Safety and Training & Development Services. An overview of the main impacts of the changes are shown within the Appendix.

### **Legal Services**

The 2015/16 savings proposals are identified under references LS1 – LS6 and further work is ongoing in relation to future year savings as per LS7 & 8. Members will note that the majority of the proposals will reduce capacity and the need to reduce workload. Some additional income is being sought in relation to the Registrar and Licensing functions together with a reduction in contribution to the Joint Coroner Service budget (with Swansea Council).

### **ICT & Procurement Services**

These are shown under references ICT1 – ICT5. They include a reduction in the supplies and services budget and contribution to the IT Renewal Reserves. As mentioned in ICT5 a reduction in staffing and possibly from some contract renewals will be required to deliver the additional savings of £126k in 2015/16 together with further savings in the next two years. A review of Council priorities in line with the demands from front line services and their change agendas which impact on ICT services is being undertaken and will influence where these savings will need to be achieved from.



#### **4. Consultation**

Discussions and consultation with staff, Trade Unions and other stakeholders will now commence in order that the above proposals can be progressed and incorporated or amended for inclusion in the final budget proposals for 2015/16.

#### **5. Recommendation**

It is recommended that Members approve the consultation with relevant stakeholders as set out in this report.

#### **6. Background Papers**

Budget and Service Working Files.

#### **7. Officer Contact**

Mr Hywel Jenkins, Director of Finance & Corporate Services  
Tel. No. 01639 763251. Email: [h.jenkins@npt.gov.uk](mailto:h.jenkins@npt.gov.uk)

Mr Dave Rees, Head of Financial Services  
Tel. No. 01639 763646. Email: [d.rees1@npt.gov.uk](mailto:d.rees1@npt.gov.uk)

Mr David Michael, Head of Legal Services  
Tel. No. 01639 763368. Email: [d.michael@npt.gov.uk](mailto:d.michael@npt.gov.uk)

Mr Steve John, Head of ICT  
Tel. No. 01639 686218. Email: [s.john@npt.gov.uk](mailto:s.john@npt.gov.uk)

Mr Graham Jones, Head of Human Resources  
Tel. No. 01639 763315. Email: [g.jones@npt.gov.uk](mailto:g.jones@npt.gov.uk)

Mrs Karen Jones, Head of Corporate Strategy & Democratic Services  
Tel. No. 01639 763284. Email: [k.jones3@npt.gov.uk](mailto:k.jones3@npt.gov.uk)

## **COMPLIANCE STATEMENT**

### **BUDGET SAVINGS PROPOSALS 2015/16 – CORPORATE SERVICES**

#### **Implementation of Decision**

The decision is proposed for implementation immediately after the 3 day call in period.

#### **Sustainability Appraisal**

##### Community Plan Impacts

Economic Prosperity  
Education & Lifelong Learning  
Better Health & Well Being  
Environment & Transport  
Crime & Disorder

##### Other Impacts

Welsh Language  
Sustainable Development  
Equalities  
Social Inclusion

The report identifies various proposals that the Council will need to consider when setting its budget for 2015/16 later in this financial year. To achieve budget savings of £23m will have a negative impact on the majority of the items mentioned above.

#### **Consultation**

This report seeks approval to consult with Staff, Trade Unions and Stakeholders.

## Budget Savings Strategies - Corporate Services

Appendix 1

Ref	Description	Lead	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
CORP 520	Corp 520 cannot be achieved due to delays by the DWP in implementing their proposed changes to benefits administration	D Rees	Alternative savings have had to be found and are included as part of 15/16 - 4 below.	-57.0	-27.0	-27.0	0	0
FS1	Increased income generation from the Court Deputy service	D Rees	Introduction of new charges and development of a joint adult family placement scheme with Bridgend, which will require the establishment of a new post at grade 5	30.0			0	0
FS2	Reduce the opening hours of the cash offices at both Neath and Port Talbot Civic Centres, plus efficiency savings in the cashiering service.	D Rees	Reduced hours of service available to the public, and customers having to wait longer to be served. The aim will be to achieve the reduction in hours via the VR scheme; if this is not achievable then reduced hours of work offered to staff and/or redeployment of staff	50.0			3	2
FS3	Review and re-structure of services within the financial services division to allow a number of staff to leave on VR.	D Rees	This will mean a significant reduction in terms of the staff resources available within the Finance Division. This can only be achieved by thoroughly reviewing the services provided. Whilst these reviews create efficiencies, there will still be an inevitable diminution of the services provided alongside increased workloads and pressure on the staff that remain.	165.0			7	4.5
FS4	Wales Audit Office (WAO) fees	D Rees	Reviews of working practices to create greater efficiencies which will lead to the reduced requirement for inspection and hence charges from WAO.	30.0			0	0

## Budget Savings Strategies - Corporate Services

Appendix 1

Ref	Description	Lead	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
FS5	Use of 14/15 underspend to meet savings target in 15/16.		The 15/16 shortfall will be met in 2016/17.	32.0	-32.0			
FS6	savings to be identified		staff er/vr over 2 years		259.0	227.0	22	16
				250.0	200.0	200.0	32	22.5
CORP528	re modelling of functions/services	K Jones		-61.0	-54.0	-50.0		
CORP531	de clustering of customer services officer posts	K Jones		-13.0				
CPRP533	reduce staff as services are placed on line	K Jones		-30.0				
CORP538	Reduce stationery budget	K Jones		-10.0				
CORP541	modernise democratic services - reduce staff costs	K Jones		-25.0				
CSDS1	Performance Audit Fees	K Jones	Reduced cost of WAO performance audit fees	26.0			0	0
CSDS2	Reduce Elections Team Staffing Resource	K Jones	Less resilience within elections team.	7.0			1	0.5
CSDS3	Income Target for Division	K Jones	Seek out income opportunities, mainly grant funding, to reduce pressure on council revenue budget	15.0			0	0
CSDS4	Reduce stationery budget in Democratic Services	K Jones	Streamlined committee administration and greater reliance on electronic methods of working for both officers and elected members	10.0			0	0
CSDS5	Complete winding up of Change Management and Innovation Unit	K Jones	No dedicated corporate capacity to support the council's change agenda	170.0			5	5
CSDS6	Reduce capacity in customer services	K Jones	Reduction in service performance	40.0			2	2

## Budget Savings Strategies - Corporate Services

Appendix 1

Ref	Description	Lead	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
CSDS7	Introduce revised access to services policy across council	K Jones	Move to a digital by default policy. This will mean minimising the public information printed with people expected to use downloadable information; increasing the number of service available on line and increasing public take up of those services; introducing new technologies in the corporate contact centre to minimise the number of call <del>handling staff required there</del>		200.0	100.0	10	10
CSDS8	Further review of CCTV operation to further reduce costs	K Jones	Options could include reducing the availability of the service further, recharging the cost to partners with a view to full cost recovery or transferring the service to another provider at no/minimal cost to the council		80.0	80.0	8	8
CSDS9	Further streamlining of democratic and corporate support following completion of modernisation programme	K Jones	Efficiency savings from modernisation programme			50.0	1	1
CSDS10	Use of 14/15 underspend to meet savings target in 15/16.		The 15/16 shortfall will be met in 2016/17.	121.0	-121.0			
CSDS11	Strategies to be identified				95.0	20.0		
				250.0	200.0	200.0	27.0	26.5
CORP525	HR - rationalisation and remodelling of functions and service	Sheenagh Rees	Staff reductions	-43.0	-38.0	-36.0		
CORP526	HR/Unions	Sheenagh Rees	Staff reductions	-33.0				

## Budget Savings Strategies - Corporate Services

Appendix 1

Ref	Description	Lead	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
HR1	Increase income from Hillside SLA to reflect level of service demand. Current provision of £8k per annum does not reflect the service required.	Sheenagh Rees	With increased income the HR team will be able to continue to provide the service required by Hillside. Without increased income the service will reduce to match funding provision.	25.0				
HR2	Reduce Corporate Training & Development Management Development / Leadership Development budget	Sheenagh Rees	Reduced provision of management and leadership development. <b>This will adversely impact upon the Council's ability to deliver the Council's change programme.</b>	20.0				
HR3	Reduce administrative support staff and professional support staff across HR / Health & Safety / Occupational Health / Training & Development <b>NB: this includes planned FFP reductions of £31k / £38k / £35k over the 3 years (3 FTE)</b>	Sheenagh Rees	Significantly reduced capacity across the 4 teams. Some work will be transferred to managers, a less flexible service will be available, some work will not be done and delayed response times in relation to some parts of the service. There are some significant risks attached to reducing capacity that will impact on supporting Disciplinary Grievance Investigations, supporting Managers in relation to Sickness Management, reducing the ability to support construction design and management projects together with other Health & Safety work and reducing Corporate Training and Development activity.	156.0	131.0	129.0	15	12.72
HR4	Reduction in seconded trade union representatives budget	Sheenagh Rees	Reduced capacity within the seconded trade union team to participate in the Council's business - <b>delays in formal processes and restrict TU ability to engage with the Council / work in partnership</b>		7.0	7.0		
			<b>TOTALS</b>	<b>125.0</b>	<b>100.0</b>	<b>100.0</b>	<b>15.0</b>	<b>12.7</b>

## Budget Savings Strategies - Corporate Services

## Appendix 1

Ref	Description	Lead	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
LS1	General Admin Savings	David Michael		20.0				
LS2	Reduction Coroner budget	David Michael	Joint Service with Swansea Council potential variation caseload	20.0				
LS3	Staffing Child Care	David Michael	Loss of trainee post	25.0				1
LS4	Legal Services	David Michael	Loss of trainee post	25.0				1
LS5	Increase income target Registrar	David Michael		10.0				
LS6	Recharge to Licensing/ increased income	David Michael		10.0				
LS7	Staffing	David Michael	Risk of destabilising teams		115.0			4
LS8	Staffing	David Michael	Risk of destabilising teams			100.0		3
LS9	Use of 14/15 underspend to meet savings target in 15/16.	David Michael	The 15/16 shortfall will be met in 2016/17.	15.0	-15.0			
				<b>125.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>9.0</b>
ICT1	ERVR - realised in 14/15	Steve John		64.0			2	2

## Budget Savings Strategies - Corporate Services

Appendix 1

Ref	Description	Lead	Main Impacts	2015/16 £000	2016/17 £000	2017/18 £000	est staff no	est staff fte
ICT2	Reduce supplies & services budget	Steve John	increased risk and reduce the ability to develop systems and undertake training on new software releases. Will impact on service delivery			37.0		
ICT3	Reduce contribution to IT renewals reserve	Steve John	Reduce ability to replace infrastructure and hardware, to support service delivery and implement new technology. Will place demand on council's capital programme.		77.0			
ICT4	Efficiencies	Steve John	recharge costs to projects, bring future year savings forward	60.0	-30.0	-30.0	2	2
ICT5	Strategies to be identified	Steve John	Realising the further savings identified for each of the following years will require staff reductions and a re-configuration of support contract spend; the exact detail of which is yet to be determined. The remaining budget will be directed at the Council's priority projects with the result that some works will be delayed whilst others will be removed from the programme altogether.	126.0	153.0	193.0	11	11
			<b>Sub Total ICT</b>	<b>250.0</b>	<b>200.0</b>	<b>200.0</b>	<b>15.0</b>	<b>15.0</b>
	Summary		Financial Services	250.0	200.0	200.0	32.0	22.5
			Chief Executive & Corporate Services	250.0	200.0	200.0	27.0	26.5
			Human Resources	125.0	100.0	100.0	15.0	12.7
			Legal Services	125.0	100.0	100.0	0.0	9.0
			ICT & Procurement Services	250.0	200.0	200.0	15.0	15.0
				1000.0	800.0	800.0	89.0	85.7



## **COUNCIL BUDGET STRATEGY – 2015/16**

### **IMPACT ON CORPORATE SERVICES BUDGET**

#### **SUPPLEMENTARY INFORMATION**

#### **REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

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### **1. CORPORATE SERVICES BUDGET**

#### **1.1 Purpose of Report**

To provide Members of the Policy and Resources Scrutiny Committee with supplementary information concerning the savings proposals for the Corporate Services Budget, set out in the Cabinet Report of 1<sup>st</sup> October 2014, with a view to aiding the scrutiny of those proposals.

#### **1.2 Background**

The Council has been advised by the Minister for Local Government to plan for a reduction in the settlement from Welsh Government in 2015/16 of up to -4.5% and for similar orders of settlement in the following two years. This change in the amount of funding that local government gets has created an unprecedented funding gap for Neath Port Talbot Council and other councils across Wales. More specifically, for 2015/16 the Council will need to deliver £23 million of savings in 2015/16 to achieve a balanced budget with some £50 million to be cut from expenditure in the next three years. This amounts to 10% of spending in 2015/16 and 25% of spending over the three year period.

All areas of the Council will be required to reduce spending over the three year period. In some areas services will cease altogether, in other areas, services will reduce or be delivered in very different ways.

The strategy for the Corporate Services Budget was reported to the Cabinet on 10<sup>th</sup> September 2014 and authority was given by the Cabinet at that meeting for consultation with staff and other stakeholders to commence.

The scale of savings needed, described below, is considerable. All comments and contributions to the proposals set out in this paper will be welcomed. Additionally, any ideas or suggestions that have not yet been identified in this paper are also very much welcomed.

## 2. **CORPORATE STRATEGY & DEMOCRATIC SERVICES OVERVIEW**

### 2.1 **Current Budget and Savings Targets for 2015/18**

In broad terms, the department controls a revenue budget of £4.5 million. £2.0 million of this budget is fixed, being the cost of the chief officers of the Chief Executive's directorate and the costs of Members' allowances. Members' allowances are set by the Independent Remuneration Panel for Wales and the Council and are not open to influence by councils other than in very minor respects. In terms of chief officers, as part of the overall budget strategy a further reduction in the number of heads of service across the Council is proposed, reducing headcount by a further two posts.

The remaining £2.5 million of the departmental budget is broadly divided as follows and it is against these areas of spend that the savings will need to be targeted:

<b>Function/Service</b>	<b>Budget 2014/15</b>
Corporate Strategy and Communications	380,000
Democratic, Electoral and Civic support	757,000
Customer Services and CCTV	1,100,000
Change Management	263,000
<b>Total</b>	<b>2,500,000</b>

In addition to targets already contained within the existing Forward Financial Plan approved by Council in January 2014, the department is required to find further savings of £650,000 over the next three years. In total, this brings the savings target to circa £900,000 over the three years – 36% of existing spend.

In recent years, there has been a significant reduction in the change management, corporate strategy and communications budgets, as well as reductions in levels of management across the whole of the department's functions and services. Securing a further £900,000 from a relatively

small budget will be challenging and requires a different type of strategy than the efficiency measures deployed in previous years.

## 2.2 **Proposed Strategies for 2015/16**

### **Complete the winding up of the Change Management and Innovation Unit by 31<sup>st</sup> March 2015**

The Unit has made a significant contribution to delivering a range of corporate change programmes since its inception. These include, setting up the overall transformation programme; supporting the delivery of housing stock transfer; leading the transfer of the residential care homes to Grwp Gwalia; supporting over thirty system reviews in services across the Council to realise efficiency and service improvements; leading the implementation of the changes within the existing Better, Simpler, Cheaper programme including the transfer of all fortnightly paid staff to monthly pay; the improvement of information and administrative infrastructure to support workforce planning and workforce management; increasing the number of services available on line and increasing take up of on-line services. The Unit has also ensured a corporate overview of progress across the entire change programme is available to chief officers and elected Members and has also commissioned the delivery of a number of training courses and development opportunities to equip officers with the skills needed to successfully lead and implement change – e.g. project management skills; programme management skills; risk management; leadership skills.

Looking forward, there are fewer “corporate” changes and more focus on service-led changes. Whilst there have been clear benefits from having a dedicated capacity to support change across the Council, the scale of savings required of the department mean that the Unit is no longer sustainable.

Therefore, by 31<sup>st</sup> March 2015 the existing Unit will be wound up. During the consultation period, discussions will take place with the five permanent members of staff as to their redeployment options whilst also identifying residual work that will need to be re-located into other sections of the department. Existing secondments to the Unit will be terminated at 31<sup>st</sup> March 2015.

**Estimated Saving: taking into account the need to service some residual work once the Unit is wound up, it is expected that a saving of £170,000 would be possible in 2015/16.**

### **Deletion of Vacant Posts by 31<sup>st</sup> March 2015**

There are a number of posts currently vacant in the department. It is proposed to delete two posts as follows:

- Performance Management and Information Officer – Corporate Strategy Team G8
- Clerical Assistant (part time) – Elections Team G3

Work priorities within the Corporate Strategy Team will need to be reviewed in light of the first of the posts described above. Virtually all of the work in the Corporate Strategy Team is statutory and the team continues to look for further opportunities to minimise the cost of meeting the statutory requirements to the Council.

In the case of the Elections Team, increasing take up of on-line options, coupled with other technology solutions should mean that workloads can be reduced so that the workloads of existing members of staff are not unduly affected.

**The deletion of the above posts should enable a saving of approximately £15,000.**

Vacancies also exist in the Customer Services and CCTV services. At the time of writing, workloads at the Contact Centre have increased and performance has deteriorated. It is planned that in the short term, temporary additional staff will be needed to manage the workloads there, along with greater flexibility in the deployment of existing staff across the two services. More detailed consultation will be initiated on short term changes that will be necessary to bring performance to an acceptable standard. However, longer term there will need to be a significant reduction in the net cost of both services and the strategies proposed to achieve this are set out below for comment.

For 2015/16 a contribution of £40,000 is needed towards the savings target from the combined services.

### 2.3 **Other measures proposed for 2015/16 include:**

**Income generating targets** – this is expected to be achieved by accessing grant opportunities across the department; moving into the future, we will need to become much more aware of income generating opportunities than has been the case in the past. **A target of £35,000 has been included in the proposals;**

**Reduction in Wales Audit Office Fees** – discussions have taken place over some years with a view to ensuring fees are proportionate to risk. It is expected that **a saving of circa £26,000 should be possible in 2015/16;**

**Further reduction in administrative costs within Democratic Services** – approval has already been given to stopping the courier service for Members in 2015/16 and reducing the amount of paper generated. **This is expected to save approximately £20,000 in 2015/16.**

### 2.4 **Proposed Strategies 2016/17 and 2017/18**

In the latter two years of this plan, we will need to focus attention on customer services and CCTV whilst also seeking to drive out any other efficiency savings opportunities across the management portfolio. We will need to start the work in earnest this financial year, to ensure we have explored all of the available options and that we organise ourselves, including securing the support of other colleagues across the Council where necessary, to implement the changes envisaged effectively and efficiently.

#### **CCTV**

The Council does not have a statutory duty to provide a CCTV service, although, we do have a statutory duty to consider the impact on crime and disorder when making changes.

Initial options identified for consideration include:

**Charging for the service** – there are a number of stakeholders who benefit from the CCTV service, as well as the wider community. Discussions will take place with those stakeholders to identify the potential to levy a charge for the service. In other areas, town councils, the police and the business community make such contributions. Dialogue will begin with partners in early 2015 to scope the potential for such an approach in Neath Port Talbot;

**Ceasing or further reducing the service** – the service was reduced this financial year to offer a monitoring service out of hours and weekends only. There is no monitoring now undertaken during office hours although cameras remain operational and police can access footage. The options will set out the potential for further reduction and the associated, anticipated impact;

**Collaboration** – there has been some interest in developing a regional service or for other agencies to monitor cameras. These suggestions will be explored in the options appraisal;

**Diversification** – a further option has emerged since the Cabinet report on 10<sup>th</sup> September which includes using the capacity within the CCTV service to extend into other service options that would realise an income. This option will be explored further and reported back alongside other options.

The Plan is not expecting a contribution from this area in 2015/16 as it is likely to take longer to explore options on a proper footing and to include all relevant stakeholders in the process. Therefore, it is proposed to begin the options appraisal work in early 2015 with a view to bringing initial proposals back to Members in summer 2015 and then leaving plenty of time to consult on preferred options in time for the budget planning process autumn 2015. For planning purposes, target savings of £80k have been estimated for 2016/17 and 2017/18.

## **Customer Services**

There will need to be a fundamental review of how the Council provides access to services, particularly transactional services, and this will have a consequential impact on the Council's One Stop Shops and Contact Centre as well as services across the Council more widely.

Essentially, we will need to accelerate the introduction of a range of technological solutions which will open up additional methods through which customers will be able to access Council services. This will include: putting more services on-line and promoting greater take up of on-line services; transforming the Council web-site so that it becomes an authoritative sources of public information; adopting a digital by default print policy where all public information is published to the web-site with print to paper being the exception; re-centralising the management of website content; introducing voice recognition and other technologies

to the call centre; streamlining business processes during the development process; substantially improving call management arrangements across the Council; and continuing to manage down the level of avoidable contact.

It is expected that within three years the number of posts would shrink across Customer Services with some small increase in the staffing levels required to support the developments related to the website.

A more detailed plan describing what changes will be introduced in what period will be available early 2015.

### **Officer Contact:**

Mrs K Jones, Head of Corporate Strategy and Democratic Services.

Tel: 01639 768467 e-mail: [k.jones3@npt.gov.uk](mailto:k.jones3@npt.gov.uk)

### 3. **FINANCIAL SERVICES OVERVIEW**

The Financial Services Division comprises a number of services whose 2014/15 budget totals **£4.472m**, the details of which are given below.

**Directorate Management (Budget £210k)** – This comprises the costs of senior officers.

**Accountancy Services (Budget £1.689m)** – There are three distinct sections providing a wide range of accountancy services to the whole of the Authority. The services provided include preparation of the Authority's revenue and capital budgets, budget monitoring, treasury management, VAT accounting, maintenance of the financial ledger, preparation of the Authority's statement of accounts, Insurance Services. New savings in this area will contribute to saving item **FS3** detailed below.

**Court Deputy Section (Budget £137k)** – The section provides support to vulnerable citizens who lack capacity and for whom there is no-one else available who is willing or able to manage their financial affairs on their behalf. A total new budget saving of **£30k** is being proposed from this area for 2015/16 (see FS1 below).

**Internal Audit (Budget £250k)** – This section carries out Internal Audits on key systems and processes within the Authority to provide assurance on the adequacy of internal controls in place. They also carry out special investigations into suspected acts of fraud and/or malpractice.

**Exchequer Payroll and Payments (Budget £327k)** – This section processes, pays and maintains appropriate records for all staff and councillors employed by the Authority and processes all manual invoice payments made by the Authority.

**Grants to Voluntary Organisations (Budget £161k)** – The budget consists solely of the value of grant payments made to voluntary organisations. There are no new proposals for savings in this service for 2015/16.

**Miscellaneous Income (Budget £140k)** – This section raises invoices for and collects income from debts owed to the Council for services provided. There are no new proposals for savings in this service for 2015/16.

**Cashiers (Budget £184k)** – This constitutes the provision of a cashiering service at both the Neath and Port Talbot Civic Centres. The cashiering service at Pontardawe was withdrawn for 2014/15 as part of that year's budget savings proposals. The service includes collecting payments for Council Tax, sundry debts, home care, and makes cash payments for members' allowances/expenses. A total new budget saving of **£50k** is being proposed from this area for 2015/16.

**Council Tax and Non Domestic Rates (Budget £500k)** – This involves the administration, billing and collection of Council Tax for all domestic properties, and the billing for and collection of rates for all non-domestic properties (primarily businesses) in the County Borough. New savings in this area will contribute to saving item **FS3** detailed below.

**Housing Benefits Administration (Budget £429k)** – This section receives, assesses and processes benefit claims for the Authority. New savings in this area will contribute to saving item **FS3** detailed below.

**Assessments (Budget £445k)** – This section provides financial assessments for citizens accessing a range of services provided by the Social Services, Health and Housing Directorate, including, Residential



and Nursing care, Home Care and Day Care Services. New savings in this area will contribute to saving item **FS3** detailed below.

### 3.1 **Financial Services Savings Target 2015/16 – 2017/18**

A savings target of **£250k** is in place for the Financial Services division for 2015/16 with a further savings target of **£200k** for each of the following two years, 2016/17 and 2017/18. This gives a total saving requirement for the three years (2015/16 – 2017/18) of **£650k** or **14.5%**.

In addition, Members had last year agreed savings proposals of £271k from the Financial Services division which are in the current Forward Financial Plan (FFP) for 2015/16. This when added to the £250k referred to in 4.1 above means a total budget reduction of £521k for the division for 2015/16.

Of the current FFP proposals however, £57k is not achievable due to delays by the Department of Work and Pensions (DWP) in delivering their proposed changes to Housing Benefit Administration. This £57k has been added to the new requirement (above) of £250k giving a new savings target of £307k, the proposals for which are detailed below.

### 3.2 **Savings Proposals for 2015/16**

**Corp 520 (-£57k)** – As mentioned above, this is a saving that has previously been approved by members which cannot be achieved due to delays by the DWP in delivering their proposed changes to Housing Benefit Administration.

**FS1 (£30k)** – The £30k would be achieved by generating income rather than reducing costs. This proposal is to introduce case fee charges for dealing with clients' affairs at between £250 and £270 per case, for approximately 115 cases. In addition, the section is developing a joint family placement scheme with Bridgend. These proposals jointly will generate increased income of £30k per annum. An initial Equality Impact Assessment (EIA) is attached at Appendix 1.

**FS2 (£50K)** – This saving is targeted at the cash office budget. Whilst every effort is being made to reduce running costs within the service it will inevitably mean a cut in the services provided e.g. paying members expenses in cash and a reduction in the opening hours of the two cash offices.

There are a number of options available in terms of reduced opening hours such as opening later and closing earlier each day, closing for a set period at lunchtimes and only being open on certain days of the week.

An analysis of the current throughput of the cash offices is currently being carried out and a customer survey will also be conducted to ensure that the recommendation on the actual proposal put to members takes into account all the available information including the needs of, and impacts on, the public. It is expected that the savings can be achieved through cost reductions and the VR scheme either by direct requests for VR or for redeployment. An initial Equality Impact Assessment (EIA) is attached at Appendix 2.

**FS3 (£165K)** – This saving involves staff reductions in the Financial Accounts, Council Tax, Benefits and Financial Assessments sections. It is expected that these staff reductions will be achieved primarily through a combination of voluntary redundancies and the deletion of vacant posts.

Work is currently in progress on the systems and procedures in place in these sections with a view to streamlining and where practical, stopping processes in order to accommodate the reduction in staff resources. It is inevitable however, that the provision of services in some areas will deteriorate, and there will also be increased pressure on the remaining staff.

**FS4 (£30K)** – Improvements in systems and processes in key areas will lead to a reduced requirement for Wales Audit Office (WAO) work which will in turn reduce the level of charge made by WAO against the Authority.

**FS5 (£32K)** – The net total of the items included above is £218k which is £32k short of the £250k target. This will be met from reserves in 2015/16 with the shortfall being added to the target for 2016/17 making a revised target of £232k.

**Officer Contact:**

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## 4 LEGAL SERVICES OVERVIEW

### Monitoring Officer

**Area of Responsibility:** Enforcing rules of Councillor conduct, servicing Standards Committee, compilation and maintenance Register of Members' Interests. Advice on the Members' Code of Conduct to Councillors and Community Councillors. Maintaining Council Constitution.

**Budget:** Gross - £134,261. Net - £134,261

**Activity Rates:** Current year 53 open Ombudsman files, 39 open Monitoring Officer files.

### Property and Corporate Services

**Area of Responsibility:** Acquisition and disposal of freehold land, Compulsory Purchase Orders, register of common land, development agreements, leases and tenancies including industrial units, grants of rights of way, advice on land ownership, planning agreements, road adoption and highways footpaths, procurement advice and execution of contracts and advice on land drainage and flooding issues.

**Budget:** Gross - £389,935. Net - £323,935.

**Activity Rates:** In 2013/14 356 files opened and 218 closed. Current year 561 files are open.

### Litigation Legal Services

**Area of Responsibility:** Advice in relation to planning, environmental health, trading standards and licensing, provision of advice to planning and licensing committees, prosecution of cases in the Criminal Courts in relation to waste, trading standards and other offences, legal advice on benefit fraud and subsequent prosecution, judicial review, statutory appeals, possession actions and debt collection, provision of services to NPT Homes, advice to the Council and to Schools on legal aspects of education.

**Budget:** Gross - £456,998. Net - £426,638.

**Activity Rates:** In 2013/14 471 files were opened and 779 closed. Current year 668 files are open.

### **Child Care Legal Services**

**Area of Responsibility:** Providing advice to the Council through all phases of involvement with children in need or at risk of harm, conducting child protection and other child related litigation on behalf of the Council including the provision of advocacy in the Family Court, supporting Children Services in its functions including advice on adoption, supporting improvement of social work competence and capability, supporting children services in its statutory complaints process.

**Budget:** Gross - £962,620. Net - £962,620.

**Activity Rates:** In 2013/14 168 files were opened and 120 closed. Current year 289 files are open.

### **Land Charges**

**Area of Responsibility:** The maintenance of the statutory Register of Local Land Charges, dealing with official searches of the Register and personal searches made by search agents, co-ordinating the response to Local Authority Enquiries undertaken on behalf of purchasers of properties together with the maintenance of the Commons Register and dealing with Commons Searches.

**Budget:** Gross - £85,600. Net - £44,400 surplus.

**Activity Rates:** In 2013/14 3086 searches were processed.

### **Business Support**

**Area of Responsibility:** The provision of secretarial services to the Directorate Management Team and a restricted typing service, mail handling from Civic Centre Port Talbot and Civic Centre Neath, the Council courier service, complaints handling and co-ordination, dealing with subject access requests, dealing with accounts on behalf of the Directorate and the Chief Executive's Department.

**Budget:** Gross - £438,530. Net - £214,390.

**Activity Rates:** In 2013/14 1,368 invoices paid, 800 FOI requests processed and distributed and 18 stage two complaints.

### **Legal Business Support**

**Area of Responsibility:** Provision of all manner of support, including ordering, payment and monitoring of all external invoices. Dealing with any relevant internal recharges throughout the Authority arising from those payments, to all members of the Legal Services sections, including Litigation, Conveyancing, Childcare Legal Services and Legal Monitoring Office within Port Talbot Civic Centre, together with the Licensing Section. Issuing of both internal and external invoices for the receipt of fees regarding the delivery of Legal and related services, Childcare Legal Services payments facility

**Budget:** Gross - £207,546. Net - £75,436.

**Activity Rates:** In year 2013/14 936 files opened and 625 closed. 4085 pieces of mail handled.

### **Licensing**

**Area of Responsibility:** The administration and enforcement of the Council's statutory licensing function. The Section has responsibility for a wide range of functions which include: - Taxi and private hire licensing, premises which sell alcohol and provide entertainment, various animal welfare licences e.g. dog breeding, dog boarding establishments, horse riding centres, pet shops, dangerous wild animals, zoos etc., boats and boatmen, charitable collections including house to house and street collections, Cosmetic Piercing and Tattooing, Firework storage, Gambling premises including, betting shops, bingo halls, arcades, hairdresser and barber shops, petroleum storage, poisons, scrap metal dealers, sex establishments and sexual encounter venues, stage hypnotism and street trading.

**Budget:** Gross - £266,260. Net - £4,950.

**Activity Rates:** In 2013/14 377 taxi driver licences and 277 vehicle licences, 470 Licensing Act 2003 premises and 1323 personal licences. 133 lotteries registered, 70 charitable collections, 27 scrap dealers and collectors and 22 boarding and dog breeding kennels.

## **Registrars**

**Area of Responsibility:** The registrations of births, deaths and marriages in the area of the Local Authority. Conducting Citizenship Ceremonies, weddings and civil partnerships in the Register Office and at Approved Premises, conducting ceremonies for Renewal of Vows and Baby Naming, Dealing with requests for birth, marriage and death certificates (for current and historical purposes), Dealing with general enquiries from members of the public in person, by email and over the telephone, and providing the face to face element of the Tell Us Once service on behalf of the Council.

**Budget:** Gross - £130,840. Net - £16,560 surplus.

**Activity Rates:** In 2013/14 543 births, 875 death and 478 marriage registrations, 1074 notices of marriage, 185 register office weddings and 293 Approved Premises weddings.

### 4.1 **Savings Strategies**

**LS1** (£20,000) – Is a combination of various small savings throughout the Section guided by budget that have not been fully spent in previous years. This is probably the last time that these budgets can be revisited.

**LS2** (£20,000) – City and County of Swansea and ourselves are jointly responsible for providing budget support for the Coroner. This covers the Coroner's salary itself and other costs. The proposal is to reduce this budget. There is a risk that a lower budget may be overspent in subsequent years if the number of cases increases.

**LS3** (£25,000) – Contemplates the loss of a trainee post in Legal Services Child Care. The post is not currently occupied. The Child Care Team would lose the element of capacity that the post gives. Also, loss of trainee posts reduce training opportunities for local law graduates looking to go into the profession and gain experience of Local Government law.

**LS4** (£25,000) – Contemplates the loss of a trainee post in Legal Services. The post is not currently occupied. The Team would lose the element of capacity that the post gives. Also, loss of trainee posts reduce training opportunities for local law graduates looking to go into the profession and gain experience of Local Government law.

**LS5** (£10,000) – Contemplates an increase in the income target for the Registrar. This income is drawn from fee income such as marriages, death certificates etc. and is vulnerable to fluctuations in the market for these services.

**LS6** (£10,000) – The proposal at LS6 partly reflects changes in the way that Licence fees are set. Licence fees cannot exceed the cost of providing the service and certain aspects of the service such as enforcement against non-licence holders cannot be counted into the calculation. The provision of management and legal services to licencing can be included and the costs are then recovered through the licence fee. Again, this is partly dependent on the number of applications received by Licensing.

**LS7** (£115,000) – Beyond the financial year 2015/16, the opportunity for budget cuts other than through a reduction in staffing decreases sharply. Workloads show no sign of decreasing but if there were decreases in workload e.g. the number of Child Care cases then this might provide an opportunity for a saving but only through reduction of staff. There is a risk that teams will be destabilised buy cuts in staffing where workloads remain at the current level or increase. The same comments would apply to **LS9** which relates to the financial year 2017/18.

There are a number of likely pressures which are not accommodated in the budget. We expect a request to make a contribution toward one off reserve to deal with a backlog of coroner cases. A major growth area will be deprivation of liberty cases for adult social services. This is having a major effect on many local authorities. City and County of Swansea have indicated that they will no longer do Rights of Way work for this Council.

**Officer Contact:**

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5. **ICT AND PROCUREMENT SAVINGS TARGET 2015/16 – 2017/18**

A savings target of **£250k** is in place for the ICT and Procurement Services division for 2015/16 with a further savings target of **£200k** for

each of the following two years, 2016/17 and 2017/18. This gives a total saving requirement for the three years (2015/16 – 2017/18) of **£650k**.

In addition, Members had last year agreed savings proposals of £100k from the division and which are in the current Forward Financial Plan (FFP) for 2015/16. This when added to the £250k referred to above results in a total budget reduction of £350k for the division for 2015/16.

### 5.1 **Savings Proposals for 2015/16**

**ICT1 (£64k)** – The £64k has been achieved by realising the benefits of allowing voluntary staff redundancies last year. The in-year savings achieved during the last financial year will now be deducted from the base budget.

**ICT4 (£60K)** – This target comprises savings identified for subsequent years being delivered earlier than expected. Whilst benefiting this year's exercise it should be noted that it will add extra budget pressures against the following two years.

**ICT5 (£126K)** – This target consists of savings made up of staff losses and a stringent review of 'contracted for' services. It is hoped that all required staff savings will be met by the ER/VR process and initial expressions of interest support that view. Contracted services will be reviewed as the renewal processes allow and where possible, re-negotiations will take place regarding those in place for the longer term.

### **Future Years Savings (ICT 2 & ICT 3)**

There are additional target savings laid against this proposal for future years and the exact detail in how they will be achieved will become clearer as Service Managers and the Council identifies priorities which will shape the work programme and the ICT and Procurement Service adapt to meet those needs.



**Officer Contact:**

Mr S John, Head of ICT. Tel: 01639 686218

e-mail: [s.john@npt.gov.uk](mailto:s.john@npt.gov.uk)

**6. HUMAN RESOURCES DIVISION**

The HR Division comprises a number of services, HR, Health & Safety, Occupational Health, and Training & Development whose budget totals £2,132,530. The original FFP savings target for 2015/16 was £76k. The additional savings target for 2015/16 is £125k, a total of £201k.

91% of the available budget (i.e. budget that is not comprised of grant funding) is spent on staff costs, employing 56.71 FTE across the 4 services provided by HR.

The majority of the proposals therefore relate to deleting posts on the established structure and reducing service delivery accordingly. Every effort will be made to redeploy displaced staff; however there is a risk of compulsory redundancy. Due to the profile of the workforce, expressions of interest in voluntary redundancy are expected to be minimal, but will be supported wherever possible.

In relation to non-staffing budgets, it is proposed to:

**Increase income from the Hillside Service Level Agreement** to reflect the level of service demand. This has been discussed and agreed with the Director of Social Services, Health & Housing, to ensure that the HR team will be able to continue to provide the level of service required by Hillside. **£25k per annum.**

**Reduce the Corporate Training & Development Management Development and Leadership Development budget.** This will reduce the capacity of the Council to provide leadership and management training and development opportunities. **£20k per annum**

In relation to proposals to reduce the headcount of the HR team in 2015/16 the implications are set out below:

**Reduce HR Employment Administration Support** – reductions will be mitigated in part through the development of VISION which has released some capacity within the administration support teams. However, there will be a reduced capacity in relation to recruitment, redeployment, employment contract administration, payroll administration and the ongoing development of VISION. Some work will need to be transferred to managers, a less flexible service will be available, some work will not be done and delayed response times in relation to some parts of the service. **£44k per annum**

**Reduce HR Professional Support** – to protect to the maximum extent possible the provision of support for Council wide Management of Change which is significantly increasing the workloads of professional HR staff, and the riskiest stages of employment processes (i.e. formal decision making stages), it is proposed that HR Officers will no longer provide administration support to Disciplinary and Grievance investigations, acting only in an advisory capacity to the investigation, and will no longer attend informal meetings in relation to sickness absence. HR support for sickness absence management will only be provided at formal meetings held under the maximising attendance at work policy. This will place some additional responsibility / workload on service managers, as well as creating the potential for increased employment tribunal risks and costs. Management of change support capacity, whilst prioritised, will be reduced. This will place at risk the Council's ability to deliver its planned budget savings. **£45k per annum**

**Delete vacant HR Manager (Grade 10) post and create Business Support Supervisor post (Grade 7 or 8 subject to JE)** – The creation of the supervisor post will provide suitable alternative employment for a displaced employee within the HR structure as a result of other proposals, and will ensure that there is the management capacity to manage the provision of employment administration services on a day to day basis. However it will reduce the flexibility of the senior team in HR to respond to the most complex demands from Senior Management teams. **£15k per annum**

**Reduce Health & Safety Professional Support** – this will result in the cessation of Construction design and management support for all construction related projects in accordance with statutory duty. **£44k per annum**

**Non replacement of seconded trade union officer, seconded to Sickness Taskforce to 31<sup>st</sup> August 2015** – This will reduce the capacity

within the seconded trade union team to participate in the Council's business, potentially resulting in delays in formal processes and restrict the TU's ability to engage with the Council / work in partnership. **£8k (one off)**

### **Officer Contact**

Mrs S Rees, Principal HR Manager, Tel. No. 01639 763012  
e-mail: [s.rees5@npt.gov.uk](mailto:s.rees5@npt.gov.uk)

### **Recommendation**

It is recommended that Scrutiny Members consider the more detailed information provided above which supports the savings proposals being consulted for the Corporate Services Budget.

### **Appendices**

Appendix 1 – Equality Impact Assessment (EIA) Report Form – Court Deputy Service

Appendix 2 – Equality Impact Assessment (EIA) Report Form – Cashiering Service

## Equality Impact Assessment (EIA) Report Form – Court Deputy Service

This form should be completed for each Equality Impact Assessment on a new or existing function, a reduction or closure of service, any policy, procedure, strategy, plan or project which has been screened and found relevant to Equality and Diversity.

**Please refer to the ‘Equality Impact Assessment Guidance’ while completing this form. If you would like further guidance please contact the Corporate Strategy Team or your directorate Heads of Service Equality Champion.**

<b>Where do you work?</b>
Service Area: Financial Services Division
Directorate: Finance and Corporate Services

**(a) This EIA is being completed for a...**

Service/ Function  <b>x</b>	Policy/ Procedure  <input type="checkbox"/>	Project  <input type="checkbox"/>	Strategy  <input type="checkbox"/>	Plan  <input type="checkbox"/>	Proposal  <b>x</b>
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**(b)** Due to the requirement to make savings, the proposal is to introduce additional charges for some of the services previously provided free of charge. This will enable the Authority to maintain the level and volume of service currently provided. The proposed charges are:-

- £250 for finalising the affairs of deceased clients (approximately 15 cases per year),
- £270 per annum property management fee (approximately 100 cases).

In terms of the property management fee, the powers to levy this charge are contained in the Ministry of Justice Court of Protection rules (Category 3)

Both of the proposed charges are consistent with those levied in other Authorities.

The Court Deputy Section provides support to vulnerable citizens who lack capacity and for whom there is no-one else available who is willing or able to manage their financial affairs on their behalf.

The section has 8 staff (6.81 FTE) and has a net annual budget of £137,000. The section currently has a caseload of 201 cases consisting of 44 appointee, 22 short order, 107 court deputy cases and a further 28 in progress awaiting categorisation.

Appointee cases involve the team receiving any benefits on behalf of the service users from which they pay all bills. Court Deputy cases are far more involved, the team have to undertake a lot of initial work to set up the client, make an application to the court and are then governed by the 2005 Mental Capacity Act in respect of the duties they undertake on behalf of the service user. Short order cases are generally less complex and therefore require less time and resource to administer.

**(c)** No screening work was carried out as it was felt that a full Equality Impact Assessment would be appropriate.

**(d) It was found to be relevant to...**

Age ..... <b>x</b>	Race ..... <input type="checkbox"/>
Disability ..... <b>x</b>	Religion or belief ..... <input type="checkbox"/>
Gender reassignment ..... <input type="checkbox"/>	Sex ..... <b>x</b>
Marriage & civil partnership ..... <input type="checkbox"/>	Sexual orientation ..... <input type="checkbox"/>
Pregnancy and maternity ..... <input type="checkbox"/>	Welsh language ..... <input type="checkbox"/>

(e) **Lead Officer**

**Name:** Sue Gorman

**Job title:** Chief Accountant – Financial Services

**Date:** 2<sup>nd</sup> October 2014

(f) **Approved by Head of Service**

**Name:** Dave Rees

**Date:** 2<sup>nd</sup> October 2014

### Section 1 – Aims (See guidance):

Briefly describe the aims of the function, service, policy, procedure, strategy, plan, proposal or project:

**What are the aims?** To reduce the net cost of the service by generating increased income for the service whilst limiting the impact on service users and maintaining service provision at current levels. The raising of these charges also brings us in line with many other authorities. **(29.9.14)**

**Who has responsibility?** The initiative is the responsibility of the Head of Financial Services. It will be the responsibility of the Chief Accountant (Financial Services) to monitor and review the outcomes. **(29.9.14)**

**Who are the stakeholders?** Clients who use the Court Deputy Service. **(29.9.14)**

### Section 2 - Information about Service Users (See guidance):

Please tick what information you know about your service users and provide details / evidence of how this information is collected.

Age .....	<input checked="" type="checkbox"/>	Race .....	<input type="checkbox"/>
Disability .....	<input checked="" type="checkbox"/>	Religion or belief .....	<input type="checkbox"/>
Gender reassignment .....	<input type="checkbox"/>	Sex .....	<input checked="" type="checkbox"/>
Marriage & civil partnership .....	<input type="checkbox"/>	Sexual orientation .....	<input type="checkbox"/>
Pregnancy and maternity .....	<input type="checkbox"/>	Welsh language .....	<input type="checkbox"/>

#### What information do you know about your service users and how is this information collected?

Information for each service user is collected at the point of referral and stored on a client database. Male /female split 53%/47%, age over 65 (70%), age below 65 (30%), all services users have some form of disability which renders them incapable of managing their financial affairs **(29.9.14)**

#### Any Actions Required?

None **(29.9.14)**

### Section 3 - Impact on Protected Characteristics (See guidance):

Please consider the possible impact on the different protected characteristics. This could be based on service user information, data, consultation and research or professional experience (e.g. comments and complaints).

	Positive	Negative	Neutral	Needs further investigation
Age	➔ <input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>
Disability	➔ <input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or belief	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	➔ <input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh language	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Thinking about your answers above, please explain in detail why this is the case? including details of any consultation (and/or other information), which has been undertaken to support your view?**

There is a negative impact based on disability as the nature of the service is that all clients have some disability which renders them incapable of managing their financial affairs. The impact is negative because they will be charged for services previously provided free of charge.

(29.9.14)

**What consultation and engagement has been undertaken (e.g. with the public and/or members of protected groups) to support your view?**

No consultation and engagement has taken place to date. (29.9.14)

**Any actions required (to mitigate adverse impact or to address identified gaps in knowledge)**

None (29.9.14)

### Section 4 - Other Impacts:

Please consider how the initiative might address the following issues.

You could base this on service user information, data, consultation and research or professional experience (e.g. comments and complaints).

<b>Foster good relations between different groups</b>	<b>Advance equality of opportunity between different groups</b>
<b>Elimination of discrimination, harassment and victimisation</b>	<b>Reduction of social exclusion and poverty</b>

(Please see guidance for definitions)

**Please explain any possible impact on each of the above.**

1. It is possible that this proposal will have a negative impact in terms of fostering good relations and in terms of advancing equality between different groups, as there are distinct groups of people who will be affected by the proposal.
2. It is possible that the policy could have a negative impact in terms of discrimination as it is imposing charges only on those who currently use the service.
3. It is possible that the policy could have a negative impact in terms of reduction of social exclusion and poverty as it is imposing charges only on those who currently use the service.

<p><b>What work have you already done to improve any of the above?</b> Not applicable (29.9.14)</p> <p><b>Is the initiative likely to impact on Community Cohesion?</b> The proposal should have no impact on community cohesion. (29.9.14)</p> <p><b>How will the initiative treat the Welsh language in the same way as the English language?</b> The ability to receive the service in Welsh will still be available in the same way as previously. (29.9.14)</p>
<p><b>Actions (to mitigate adverse impact or to address identified gaps in knowledge).</b></p> <ul style="list-style-type: none"> <li>● None required at this stage. (29.9.14)</li> <li>●</li> <li>●</li> </ul>


**Section 5 - Monitoring arrangements:**

Please explain the arrangements in place (or those which will be put in place) to monitor this function, service, policy, procedure, strategy, plan or project:

<p><b>Monitoring arrangements:</b> Each case is monitored closely on an on-going basis and any impacts of this proposal will be taken back to the Head of Service for review. (29.9.14)</p>
<p><b>Actions:</b> None (29.9.14)</p>

**Section 6 – Outcomes:**

Having completed sections 1-5, please indicate which of the outcomes listed below applies to your initiative (refer to guidance for further information on this section).

- Outcome 1: Continue the initiative...
  - Outcome 2: Adjust the initiative...
  - Outcome 3: Justify the initiative...
  - Outcome 4: Stop and remove the initiative...
- 

<p>For outcome 3, detail the justification for proceeding here</p>
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**Section 7 - Publication arrangements:**

On completion, please contact the Corporate Strategy Team for advice on the legal requirement to publish the findings of EIAs.

## Equality Impact Assessment (EIA) Report Form – Cashiering Service

This form should be completed for each Equality Impact Assessment on a new or existing function, a reduction or closure of service, any policy, procedure, strategy, plan or project which has been screened and found relevant to Equality and Diversity.

**Please refer to the ‘Equality Impact Assessment Guidance’ while completing this form. If you would like further guidance please contact the Corporate Strategy Team or your directorate Heads of Service Equality Champion.**

<b>Where do you work?</b>
Service Area: Financial Services Division
Directorate: Finance and Corporate Services

**(a) This EIA is being completed for a...**

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<b>x</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>x</b>

**(b) Please name and describe below...** A proposal is being put to members to reduce the opening hours of the civic centre cash offices which, together with other cost reductions, seeks to generate savings of £50,000 on the current net budget for the service of £184,000.

There are a number of options available in terms of reduced opening hours including opening later and closing earlier each day, closing for a set period at lunchtimes and only being open on certain days of the week. A decision on which of the options available will be recommended to members will be made following detailed data analysis work and a public consultation exercise.

The cashiering service operates from two cash offices based at the civic centres of Neath and Port Talbot. On average the service currently deals with 1,900 transactions per week, between the two cash offices. Of these approximately 1,080 are in respect of council tax payments. Of the total council tax payments made currently only 6.5% of them are made by cash/cheques.

In total there are seven members of staff (4.00 FTE) employed between the two cash offices. Both cash offices are open to the public from 8.45am to 4.30pm Monday to Thursday and 8.45am to 4.00pm on Fridays.

**(c) It was initially screened for relevance to Equality and Diversity on ...** No screening work was carried out as it was felt that a full Equality Impact Assessment would be appropriate.

**(d) It was found to be relevant to...**

Age .....	<b>x</b>	Race .....	<b>x</b>
Disability .....	<b>x</b>	Religion or belief .....	<b>x</b>
Gender reassignment .....	<input type="checkbox"/>	Sex .....	<b>x</b>
Marriage & civil partnership .....	<input type="checkbox"/>	Sexual orientation .....	<input type="checkbox"/>
Pregnancy and maternity .....	<input type="checkbox"/>	Welsh language .....	<input type="checkbox"/>



**(e) Lead Officer**

**Name:** Janet North

**Job title:** Chief Accountant - Technical

**Date:** 1<sup>st</sup> October 2014

**(f) Approved by Head of Service**

**Name:** Dave Rees

**Date:** 1<sup>st</sup> October 2014

**Section 1 – Aims (See guidance):**

Briefly describe the aims of the function, service, policy, procedure, strategy, plan, proposal or project:

<p><b>What are the aims?</b> To reduce the opening hours of the cash offices which, together with other cost reductions, seeks to generate savings of £50,000 on the current net budget for the service of £184,000. Whilst the availability of a cashiering service to the public will be reduced, the aim will be to encourage greater take up of other methods of payment such as direct debit and on-line payments. If however, some members of the public still wish to pay in cash but find the new opening times inconvenient, they can still pay in cash in the same way at the Post Office. <b>(29.9.14)</b></p>
<p><b>Who has responsibility?</b> The initiative is the responsibility of the Head of Financial Services. It will be the responsibility of the Chief Accountant (Technical and Exchequer) to monitor and review the outcomes. <b>(29.9.14)</b></p>
<p><b>Who are the stakeholders?</b> The initiative will affect both the public and staff. It is expected that the effect on the public will be neutral due to the alternative methods of payment available. It is hoped that the cost savings required will be achieved via voluntary redundancy or redeployment thereby creating a neutral effect for staff. <b>(29.9.14)</b></p>

**Section 2 - Information about Service Users (See guidance):**

Please tick what information you know about your service users and provide details / evidence of how this information is collected.

Age .....	<input checked="" type="checkbox"/>	Race .....	<input type="checkbox"/>
Disability .....	<input type="checkbox"/>	Religion or belief.....	<input type="checkbox"/>
Gender reassignment .....	<input type="checkbox"/>	Sex .....	<input checked="" type="checkbox"/>
Marriage & civil partnership .....	<input type="checkbox"/>	Sexual orientation.....	<input type="checkbox"/>
Pregnancy and maternity .....	<input type="checkbox"/>	Welsh language.....	<input type="checkbox"/>

<p><b>What information do you know about your service users and how is this information collected?</b> Very little current information is available on the cash office service users, other than that based on data on the citizens of Neath Port Talbot in general. A service user survey will be carried out over the next few weeks to rectify this lack of information. <b>(29.9.14)</b></p>
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<p><b>Any Actions Required?</b></p> <ol style="list-style-type: none"> <li>1. Carry out a thorough data analysis of cash office usage for the most recent three month period.</li> </ol>
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## 2. Carry out a customer survey on the proposal. (29.9.14)

**Section 3 - Impact on Protected Characteristics (See guidance):**

Please consider the possible impact on the different protected characteristics. This could be based on service user information, data, consultation and research or professional experience (e.g. comments and complaints).

	Positive	Negative	Neutral	Needs further investigation
Age	→ <input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>
Disability	→ <input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	→ <input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Marriage & civil partnership	→ <input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Pregnancy and maternity	→ <input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Race	→ <input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Religion or belief	→ <input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Sex	→ <input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Sexual orientation	→ <input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Welsh language	→ <input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>

**Thinking about your answers above, please explain in detail why this is the case? including details of any consultation (and/or other information), which has been undertaken to support your view?**

The Council offers a variety of alternative options to paying by cash including direct debit and on-line payments. Cash payments can still be made at the cash offices though the times when this option is available will be restricted. If however members of the public still wish to make cash payments for council tax at a time when the cash offices are no longer open they can still do so at the local Post Office.

Option to open each day but for fewer hours – Some people may take the opportunity to access other facilities at the civic centres when visiting the cash office that they would not be able to do elsewhere, which may be a negative impact for them. Also, there are more likely to be queues at the time when the cash offices are open which would have been less likely previously. This will be a negative impact particularly for any service users that may have difficulty in standing to queue.

Option to only open on particular days of the week – In addition to the above, the days chosen to open may not be suitable for certain service users for a variety of reasons which will mean that the opportunity to use the cash office service is taken away from them completely. (29.9.14)

**What consultation and engagement has been undertaken (e.g. with the public and/or members of protected groups) to support your view?**

None to date, but a service user survey will be carried out. (29.9.14)

**Any actions required (to mitigate adverse impact or to address identified gaps in knowledge)**

None to date but the above possible negative impacts will be explored via the data analysis and service user survey. If these or any other negative impacts come to light then details of actions required for example providing chairs for people to sit on if they are required to queue at the cash office, will be provided. (29.9.14)

## Section 4 - Other Impacts:

Please consider how the initiative might address the following issues.

You could base this on service user information, data, consultation and research or professional experience (e.g. comments and complaints).

<b>Foster good relations between different groups</b>	<b>Advance equality of opportunity between different groups</b>
<b>Elimination of discrimination, harassment and victimisation</b>	<b>Reduction of social exclusion and poverty</b>

(Please see guidance for definitions)

**Please explain any possible impact on each of the above.**

As the initiative may have a small negative impact on a small number of people it is possible that it will impact negatively in terms of the first three items detailed above. Whilst possible, this is felt to be unlikely and any impact would be small. Further information will be available on this when the data analysis and service user survey are completed. In terms of a reduction in social exclusion and poverty this proposal will have no impact either negative or positive. (29.9.14)

**What work have you already done to improve any of the above?**

Not applicable(29.9.14)

**Is the initiative likely to impact on Community Cohesion?**

The proposal should have no impact on community cohesion. (29.9.14)

**How will the initiative treat the Welsh language in the same way as the English language?**

It is unclear whether the option of using the Post Office will have an impact.

(29.9.14)

**Actions (to mitigate adverse impact or to address identified gaps in knowledge).**

- None required at this stage. (29.9.14)
- 

## Section 5 - Monitoring arrangements:

Please explain the arrangements in place (or those which will be put in place) to monitor this function, service, policy, procedure, strategy, plan or project:


**Monitoring arrangements:** If the proposal is accepted and implemented, data usage information will be compared with that available prior to the proposal being put in place. Also, relevant information from the Council's customer comments, compliments and complaints process will be analysed and acted upon. (29.9.14)

**Actions:**

1. Maintain and analyse data usage statistics.
2. Monitor customer comments, compliments and complaints. (29.9.14)

**Section 6 – Outcomes:**

Having completed sections 1-5, please indicate which of the outcomes listed below applies to your initiative (refer to guidance for further information on this section).

- Outcome 1: Continue the initiative...
  - Outcome 2: Adjust the initiative...
  - Outcome 3: Justify the initiative...
  - Outcome 4: Stop and remove the initiative...
- 

For outcome 3, detail the justification for proceeding here

**Section 7 - Publication arrangements:**

On completion, please contact the Corporate Strategy Team for advice on the legal requirement to publish the findings of EIAs.

**Action Plan:**

Objective - What are we going to do and why?	Who will be responsible for seeing it is done?	When will it be done by?	Outcome - How will we know we have achieved our objective?	Progress
Carry out a data analysis of usage of the cashiering service for the last 3 months.	David Rees via the Finance Project Team.	By 31 <sup>st</sup> October 2014	We will be able to analyse cash office usage over a number of pre-set criteria.	
Carry out a service user survey.	David Rees	By 14 <sup>th</sup> November 2014	We will have details of who our service users are, and their opinions, in order to help us shape the proposals.	
Maintain and analyse data usage statistics.	Chief Accountant Technical and Exchequer.	On-going	Having greater management information on the service.	
Monitor customer comments, compliments and complaints.	Chief Accountant Technical and Exchequer.	On-going	Having greater management information on the service.	
				<b>(29.9.14)</b>

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