

## **CABINET – 25<sup>TH</sup> SEPTEMBER 2014**

### **REPORT OF THE DIRECTOR OF EDUCATION, LEISURE AND LIFELONG LEARNING**

#### **SECTION A – MATTER FOR DECISION**

#### **WARDS AFFECTED – ALL**

#### **BUDGET SAVINGS PROPOSALS 2015/16**

#### **Purpose of the report**

To consider the budget saving proposals for the Education, Leisure and Lifelong Learning Directorate for 2015/16 and approve progression to consultation with staff, Trade Unions and stakeholders.

#### **Background**

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.

For 2014/15 Council has approved a budget of £103.3m to the Education, Leisure and Lifelong Directorate.

- £77.4m – delegated to schools
- £25.9m – for all other services

This covers the following service areas:

- Delegated budgets to schools
- School Improvement, Inclusion and Lifelong Learning
- Leisure, Libraries, Youth Service, Partnership and Community Development
- Access Managed Services

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

For 2015 / 16, targeted savings of **£4.107m** have been sought from the Education, Leisure and Lifelong Learning Directorate by Corporate Services. This is in addition to the **£1.764m** already identified within the FFP for 2015 / 16.

This totals **£5.871m** for 2015/16.

It is also in addition to other saving targets identified for -

2016 / 17 - **£830k** and

2017 / 18 - **£314k**.

Furthermore, members should note that all these sums are in addition to the **£9.4m** already saved during the 2010 to 2015 period.

The Directorate has sought to adhere to the following key principles and priorities in the process of identifying forward saving strategies.

### **Protect our most vulnerable learners.**

- The consequence of not securing adequate support for vulnerable learners is significant in terms of cost and capacity. While we have identified £360k of savings within SEN, previously reported under the current FFP, to take further savings from this area would destabilise services completely.

### **Protect provision that is subject to external regulation.**

- The Directorate will not place itself in a high risk position regarding the areas to be scrutinised by Estyn, CyMAL, Wales Audit and other regulators. In order that we mitigate such risks, we need to continue to support improvement in standards (including vulnerable learners), attendance and safeguarding.

### **Maintain statutory services at an appropriate level.**

- While the Directorate is not able to cease statutory provision, it will examine all statutory status carefully in order that requirements are met.

Attached at Appendix 1 is a schedule of the proposed savings being developed by the Directorate's Senior Management Team and Service Managers.

In relation to specific proposals, in order that we seek to reach a savings target of over **£4.107 million**, the following budget proposals are offered for Members' consideration:

### **Schools Delegated Budget - £774,000**

Apply a 1% reduction to delegated school funding. 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 over the totality of the current Assembly term.

### **Community Facilities - £450,000**

Review the current stock of twelve Community Centres or Community Education / Enterprise Centres. This proposal will allow the Directorate, via consultation, to assess the potential future operation of each centre and, where relevant, consider a range of options from maintenance, transfer to closure.

The proposal will also give us an opportunity to redefine the purpose of the service, involving a possible restructuring of managerial roles across the Directorate, securing more strategic programming of community facilities and thereby maximise usage which will serve to maintain subsidy at an agreed level.

The Local Authority will consult with all interested parties to identify and understand options to achieve the savings required from the following sites:

- Croeserw Enterprise Centre
- Baglan Community Centre
- Taibach Community Centre
- Bryn Village Hall
- The Cross, Pontardawe
- Cwmafan Community Centre (to include consultation on the transfer of Cwmafan Library into the Community Centre with no proposed reduction in service).
- Glyncorrwg Community Centre
- Llandarcy (with the subsequent re-location of the Youth Service)
- Mozart Drive Community Centre
- Sandfields Community Education Centre
- Taibach Community Education Centre

It should be noted that the Local Authority has secured a successful transfer agreement of Noddfa Community Centre, Glyncorrwg to a local community group.

This is a non-statutory service.

### **Physical Activity and Sports Service £150,000**

This proposal is to reduce the current core funded budget. This will include consideration of subsidies to various sports' governing bodies and associations such as WRU, FAW and Disability Sports Cymru. Grant funded services will continue. This is a non-statutory service.

### **Community arts - £35,000**

It is proposed that funding for community arts activities is withdrawn allowing the Directorate to explore the possibility of securing alternative funding through agreement with primary and secondary schools and community groups. This is a non-statutory service.

### **Youth Service - £100,000**

Core funding to the youth service will be reduced. Savings will be achieved by reducing support to the voluntary sector, not replacing vacancies, reducing funding for activities and rationalising youth club provision through reducing the:

- annual number of weeks open from 30 to 28 weeks
- staffing levels where clubs are carrying vacancies but are able to adequately maintain provision with a smaller team
- number of nights open in clubs that open more than one night per week; and
- closure of clubs where membership is low and the clubs are not providing value for money.

Changes to youth club provision will be subject to consultation with staff as part of the management of change process, young people and communities.

The local authority has a statutory duty to provide an adequate youth service. The remaining core funding provided to the youth service will enable the retention of some youth clubs, project work in schools and communities, the Rolling Zone mobile provision, the Duke of Edinburgh Awards Scheme,

management of the RADS sexual health service, management of NEETS provision. External grant funding will focus on vulnerable young people aged 11-25, support for Communities First areas and one to one support for NEETS.

### **Welsh translation service - £70,000**

Current cost of this service is £150k and income is £10k. During 15/16 and through to 16/17, the service will be expected to employ an increased cost recovery principle across all corporate areas at standard national rate, circa £60 - 70 per 1000 words + VAT / circa £30 per hour simultaneous translation. It is proposed to consult on the viability of transferring this service into a social enterprise over the next 2 years.

### **Libraries - £190,000**

Apply a range of efficiency measures to the Library Service; the proposals include a reduction of £50k in the book fund, decommissioning one mobile library and rationalising costs; reducing cleaning costs by 50%.

The local authority has a duty to provide a comprehensive and efficient library service.

### **Vacancy management - £100,000**

The departure of two heads of service allows us to rationalise portfolios. We will not replace one Head of Service post. This will result in increased managerial responsibilities for existing staff.

### **Union facilities time – £25,000**

Re-negotiate Union Facilities agreement for 15/16 to realise a 50% reduction. Through negotiation, the Directorate will continue to provide trade union colleagues with support to maintain appropriate facilities time.

### **Margam Park - £100,000**

Reduce core budget, encouraging this facility to become more commercially focused.

**School Based Counselling - £25,000**

Reduce budget by 12.5% and re-configure current service provision, maintaining coverage in all secondary schools and year 6 feeder classes as required.

This is a statutory service.

**Summer Play schemes - £90,000**

It is proposed that the summer play scheme programme will not be provided across the County Borough during Summer 2015.

Local authorities have a duty to secure sufficient play opportunities for children in their areas, so far as reasonably practicable, having regard to their assessments. The duty also requires Local Authorities to publish and keep up to date information about play opportunities for children in their areas.

**Families First - £80,000**

Reduce Families First's base budget by securing further efficiencies in the allocation and administration of grant funding.

**Blaengwynfi Miners Hall - £45,000**

Withdraw our contribution to this facility and support the management of Blaengwynfi Miners Hall to seek grant funding from elsewhere and / or to identify other options available in the community to deliver the activities currently provided from the hall, including the local school.

**Adaptations and improvements - £93,000**

It is proposed to remove this budget in its entirety. Current budget covers the cost of tree cutting, security alarms and fire extinguishers for schools. This cost will have to be borne by schools.

**Contributions to voluntary organisations – £20,000**

Reduce by 12.5% current contributions to voluntary organisations e.g. Dove workshops and Glynneath partnerships.

### **Outdoor Education Service - £130,000**

Reduce contribution to Field Studies Council subject to renegotiating current contract agreement. This will result in an increase in the per week cost for pupils accessing residential provision at the Discovery Centre in Margam Park. During the negotiations all attempts to safeguard substantially reduced costs for pupils in receipt of free school meals will be made.

### **School Cleaning - £130,000**

This proposal is predicated on securing a full cost recovery position on this service. This will result in increased costs for primary and special schools.

### **School Licence Fees - £50,000**

The local authority currently covers a small number of licence fees for schools. This proposal is to transfer those costs onto schools.

### **Management restructure - £67,000**

Following the deletion, last financial year, of the Tourism Unit there is a residual management post remaining on the structure. This proposal is to review the remit of this post and rationalise any remaining management responsibilities.

### **LLAN co-ordinator / Governor training – £30,000**

The Directorate currently jointly funds the secondment of a primary headteacher to manage the LLAN headteacher representative forum. The secondee also manages the authority's governor training programme. This proposal seeks to apply a cost recovery principle to governor training via an SLA at a cost range of between £200 - £400 **per school**.

### **Music service - £50,000**

Reduce the Music tuition budget by 15%. This does not preclude schools taking local decisions to sustain the current level of service.

### **Cefn Coed Colliery Museum - £20,000**

Reduce the budget by 25%. This facility currently opens between Easter and September. A reduction in the budget will encourage the facility to revise

opening times within its season. Support will be made available to maximise grant funding streams that could benefit the museum.

### **Arts administration - £68,000**

This team commissions, programmes and markets the cultural offer promoted by our theatres and art centre. The officers responsible for these activities draw down additional, annual grant funding of over £100k. This proposal seeks to maximise the use of grant funding to support the current staffing structure and allow us to negotiate the transfer of the revised service to Celtic Leisure.

### **Theatres / Art Centres – £140,000**

Apply a reduction to current subsidies to theatres and art centres. This is over and above currently identified FFP targets. It will encourage facilities to become more commercially focused.

Proposal - targeted reduction in current subsidies to:

- Gwyn Hall (£359k)
- Pontardawe Arts Centre (£269k)
- Port Talbot (£114k)

### **NNDR Savings - £46,000**

Subject to consultation, the transfer of current assets to community ownership or as part of the Celtic Leisure contract will allow the Directorate to secure NNDR savings on identified facilities.

### **Leisure**

A £500,000 savings target was previously earmarked from the Leisure portfolio for 2015/18. This is included in the existing FFP.

Of this target, the Celtic Leisure management fee will be reduced by £275,000 over the next 2 financial years (with £75k required in 2015/16), predicated on greater efficiency and commercial return on current investment.

Furthermore, it is proposed to secure £150,000 of this savings target through the closure of:

- Cymmer (CYM) and,
- Hengwrt Sports Hall (HEN)



The Leisure Trust subsidy would be reduced by the closure of Cymmer Swimming Pool and Hengwrt Barn where usage/footfall is very low.

	Trust Expenditure		Mgmt fee <sup>1</sup>	Total Expenditure	Revenue	Net Position
	Staff	Other				
<b>CYM</b>	£ 131,973	£ 65,277	£ 120,270	£ 317,520	£ 71,456	<b>-£ 246,064</b>
<b>HEN</b>	£ 41,722	£ 14,697	£ 34,401	£ 90,820	£ 26,521	<b>-£ 64,299</b>

<sup>1</sup>The value of the management fee has been calculated in proportion with the value of the Trust's total expenditure. For example, a site incurring 10% of the Trust's total expenditure will be allocated 10% of the management fee.

*This treatment has been used through the absence of any mechanism being provided by the Trust.*

Both identified facilities are heavily subsidised and do not represent value for money according to industry standards.

Through consultation, the Directorate will seek to identify alternative provision for the communities affected and continue to facilitate schools' swimming provision. The local authority will consider the transfer of Hengwrt Sports Hall to the community, if a viable contract of use can be secured.

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.

### **School improvement - £70,000**

Reduce this budget by £70k and require the service to prioritise its support for schools according to identified need.

### **ER/VR trawl - £200,000 (estimated savings)**

Maximise the ER/VR scheme in order that we minimise the number of staff displaced by the saving proposals outlined above.

## **Summary -**

Total identified savings included in this report - £3.423m

The Directorate's savings strategies will be subject to further consideration following receipt of the provisional Welsh Government settlement.

## **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.

## **Recommendation**

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

## **Reason for Proposed Decision**

To undertake the necessary consultation.

## **List of Background Papers**

Budget and Service Working Files.

## **Officer Contact**

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## **COMPLIANCE STATEMENT**

### **BUDGET SAVINGS PROPOSALS 2015/16 – EDUCATION, LEISURE AND LIFELONG LEARNING DIRECTORATE**

#### **Implementation of Decision**

The decision is proposed for implementation immediately.

#### **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.



## 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	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	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	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	Withdraw community arts activities	AT	Reduced community arts provision across the County Borough.	35.0			2	
ELLL5	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	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	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	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	Secure NNDR Savings through transfer of facilities to either community ownership or Celtic Trust	AT		46.0			0	0
ELLL10	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	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	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	Renegotiate union facilities time to realise 50% reduction	AT		25.0			0	0
ELLL14	Reduce core budget at Margam Park	AT	Potential impact on opening hours and range of services provided.	100.0				
ELLL15	Reduce school based counselling and restructure current service	AT	Reduce access to school based counselling service across all Secondary Schools.	25.0				
ELLL16	Summer playscheme provision to be withdrawn.	CM	Reduced access to play for children across the borough during the summer holidays	90.0				12.49

ELLL17	Reduce families first base budget	AE	Expectation of increased efficiencies in the allocation and administration of grant funding	80.0				
ELLL18	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	Withdraw the adaptations and improvements budget	AT	These cost will have to be met by schools	93.0			0	0
ELLL20	Reduce contributions to voluntary organisations	CM	Potential decrease in community activity within the borough	20.0			0	0
ELLL21	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	Full cost recovery on cleaning service to schools	AT	Increased costs funded from primary and special schools budgets.	130.0			0	0
ELLL23	Transfer the costs of School Licence fees to schools	CM	Costs would have to be met by schools	50.0			0	0
ELLL24	Review residual management post.	AE	Possible displacement of member of staff.	67.0			1	1
ELLL25	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	Reduce music tuition base budget.	CM	Reduced access to music provision across the county borough	50.0				
ELLL27	Potential reduction in budget at Cefn Coed Colliery museum	CM	Potential further reduction in public opening hours	20.0			0	0
ELLL28	ERVR trawl	AE	Reduction in capacity and/or expertise	200.0			TBC	TBC
ELLL29	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

