

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

**EDUCATION SKILLS AND CULTURE SCRUTINY
COMMITTEE**

**REPORT OF THE DIRECTOR OF EDUCATION, LEISURE
AND LIFELONG LEARNING, HEAD OF
TRANSFORMATION AND HEAD OF PARTICIPATION**

24 NOVEMBER 2017

Section B: MATTER FOR INFORMATION

WARDS AFFECTED: ALL

**CONSULTATION ON EDUCATION, LEISURE AND
LIFELONG LEARNING BUDGET AND DRAFT SAVINGS 2018/19**

1. Purpose of Report

To provide Members of the Education Skills and Culture Scrutiny Committee with supplementary information concerning the savings proposals for the Education, Leisure and Lifelong Learning Budget, set out in the Cabinet Report of 8 November 2017, with a view to aiding the scrutiny of those proposals.

2. Background

As members are aware Neath Port Talbot Council's net revenue budget for 2017/18 is £274.677m and together with grants and income results in a gross investment or budget of some £418m in Council services across the County Borough. The Council also invests circa £50m+ per annum through its capital programme.

On the 8th November 2017 the Council's Cabinet approved to commence public consultation on its draft budget savings proposals for 2018/19 to 2019/20. It is projected that financial savings of £10.24m are required to set a balanced budget for the next financial year with a further £13m needed in the following financial year.

3. Draft Savings for consultation

The Directorate comprises of a number of services, which are set out below with current budgets in summarised form.

Service	Budget 2017/18
Individual Schools Budget	79,952,000
School Support Services	17,602,892
Adult/Community and Other Education Services	334,916
Children & Young Person's Partnerships	515,480
Services Outside Section 52 Statement	1,534,579
Leisure & Arts Services	2,495,928
Education Support Services	1,063,205
TOTAL	103,499,000

Savings proposals 2018/19

Please note all savings beginning with a "7" have previously been agreed by members and therefore are not subject to member consultation at this stage but provided for information only.

ELLL 704 (£213k) – Out of County Placements

This saving will be achieved by reducing the numbers of children that have placements out of county. This is a long term strategy whereby the local authority has increased its provision and the need for costly out of county placements has reduced.

ELLL 707 (£40k) – Pontardawe Arts Centre

This saving is being targeted from maximizing all commercial income generating opportunities and continued careful management of expenditure. Additional commercial opportunities are currently being discussed with representatives of the Arts Council for Wales who already provide the Arts Centre with a grant. Thus reducing the level of subsidy required to run the Centre.

ELLL 708 (£40k) – Gwyn Hall

These savings will be achieved through more efficient management of the Celtic Leisure contract

ELLL 712 (£19k) – Management costs

Full year impact of 2017/18 decision

ELLL 714 (£15k) - Disability Sport

This will be achieved through the withdrawal of match funding for the disability sports coordinators post

ELLL 715 (£100k) - School Catering

This saving will be achieved from the implementation of a new pay scale as a result of the catering review

ELLL 716 (£76k) - Tir Morfa Education Centre

Reduction in running cost of Tir Morfa Education Centre –full cost recovery against service users

ELLL 801 (£250k) - Outdoor Education

The LA has a contract in place with the Field Study Council (FSC) which terminates in April 2019. The LA currently gives a management fee (subsidy) to FSC of £250k. The proposed FFP saving involves negotiating with FSC for them to provide a service to NPT schools but with no subsidy. In order to achieve this it is likely the cost of NPT children attending the Discovery Centre at Margam Park will increase to be more in line with what children from outside NPT pay, and also what is charged by other providers of similar venues outside of NPT. Every effort will be made to protect our most disadvantaged pupils from cost increases

ELLL 802 (£200k) - Celtic Leisure

Celtic Leisure are operating at a surplus currently and over the past few years have become less reliant on the management fee provided by the local authority, which was the original intention when the leisure trust was first established. The proposed reduction in management fee will require the trust to secure even greater operating efficiencies and the generation of extra income.

ELLL 803 (£25k) - Youth Service

A modest reduction in core funding may mean less capacity to support young people. Every effort will be made to ensure the most vulnerable are protected and that all grant funding opportunities are maximised

ELLL 804 (£50k) - School Meals

Savings identified as a direct result of the reduction in the number of schools

ELLL 805 (£17k) - Music

The music service is a well-respected service which trades directly with NPT schools. Nearly all schools purchase the service via a service level

agreement. The proposed FFP efficiency can be achieved either by increasing income above current levels or by cutting expenditure or both. Opportunities may exist to offer services outside of NPT such is the reputation of the service

ELLL 806 (£80k) - ERW

ERW is the regional school improvement service which operates within NPT, Swansea, Carmarthenshire, Pembrokeshire, Ceredigion and Powys. NPT currently fund ERW in the amount of circa £800k. All other regional school improvement services across Wales have been subject to efficiency measures however to date NPT has never imposed a budget cut. Since the original agreement was established to set up the regional service the school estate has changed significantly in NPT with fewer schools now in existence.

ELLL 807 (£70k) - School Cleaning

The local authority provides a cleaning service to all NPT primary and special schools. This service operates with a budgeted £70k deficit. This proposal is to move towards a full cost recovery position over time by recovering greater costs from primary and special schools thereby increasing the cost of the service incrementally to each school.

ELLL 809 (£50k) - Inclusion Services

This efficiency will be delivered by a further review of all areas of expenditure, prudent vacancy management, careful management of out of county placements and reviewing commissioning agreements.

ELLL 810 (£10k) - Cefn Coed Museum

Continue consultation and working with the friends of Cefn Coed Museum to make efficiency savings with a view to asset transfer

ELLL 811 (£50k) - Home to School Transport

The local authority will continue to review its home to school transport routes to ensure the most cost effective arrangements are in place at all times. The £50k efficiency represents 1% of total spend.

ELLL 812 (£25k) - Children and Young People

Core costs will be reduced by making best use of any grant funding opportunities, careful vacancy management arrangements and efficiencies from the colocation of different groups of staff which makes best use of support staff.

4. Crime and Disorder Impact

The Council has a legal duty under Section 17 of the Crime and Disorder Act 1998 to carry out all its various functions with “due regard to the need to prevent Crime and Disorder in its area”.

Individual proposals are being assessed as to their impact on crime and disorder and should any specific impact be identified these will be identified against individual proposals and summarised in final proposals.

5. Equality Impact Assessment

The Equality Act 2010 requires public bodies to “pay due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share relevant protected characteristics and persons who do not share it.”

The 8th of November report identified the need for the Council to make budget savings of £10.24m for 2018/19 and as such many of these will have a negative impact on services provided across the whole of the County Borough.

6. Workforce Impacts

The workforce will be impacted by the reduction in budget funding available to run services. The Council has shared this report and information with trade unions and are having and will continue to hold staff briefings over the next few months. The Council wishes to minimise compulsory redundancies and has launched its early retirement/voluntary redundancy scheme. Staff leaving under this scheme will assist in delivering some of the financial savings set out in this report.

7. Consultation

Public Consultation on all of the draft savings proposals set out in the Cabinet report of 8th November 2017 has commenced and will run until 15th January 2018.

8. Risk Management

It is now becoming more difficult to continue to deliver year on year savings in some service areas. Some efficiencies via new working arrangements have and continue to be achievable. However, given that the demand for some services continue at a pace that exceed capacity further work is being carried out to ensure that the best possible services can be provided within the reduced budgets and reduced capacity.

9. Recommendation

It is recommended that Members review and scrutinise the savings proposals included in this report.

10. Appendices

Appendix 1 - Draft savings for consultation

11. Background Papers

Cabinet Report of 8 November 2017 – Draft 2018/19 Budget for Consultation

12. Officer Contact

For further information on this report item, please contact:

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Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18 £000	% saving	2018/19 £000	2019/20 £000
ELLL704	ES&C	Out of county placements	Andrew Thomas	No major impact, pupils will have reached school leaving age. Also savings in special school transport costs	1,251	23%	213	72
ELLL707	ES&C	Pontardawe Arts Centre - Reduce Subsidy	Andrew Thomas	Further reduction in funding to theatres, possibly a reduction in opening times.	224	36%	40	40
ELLL708	ES&C	Gwyn Hall -Reduce Subsidy	Andrew Thomas	More efficient management of Celtic Leisure contract.	220	36%	40	40
ELLL712	ES&C	Reduction in management costs.	Andrew Thomas	Full year impact of 2017/18 decision	1,063	2%	19	0
ELLL714	ES&C	Disability Sport - Withdraw match support for Disability Sports Coordinator's post	Chris Millis	Withdraw match support for Disability Sports Coordinator's post	117	13%	15	0
ELLL715	ES&C	School Catering - Implementation of the review recommendations	Chris Millis	Savings from implementing new pay scale	1,835	5%	100	0
ELLL716	ES&C	Tir Morfa Education Centre	Chris Millis	Potential additional pressure on Adult Education, Skills and Training Unit and Youth Service Budgets.	0	N/A	76	0

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18 £000	% saving	2018/19 £000	2019/20 £000
ELLL801	ES&C	Re-negotiate current contract to deliver outdoor education at the Discovery Centre, Margam Park.	Andrew Thomas	Likely increased cost for NPT pupils - more in line with what other users pay. Every effort will be made to protect financially disadvantaged pupils from price increases.	366	68%	0	250
ELLL802	ES&C	Celtic Leisure Contract - negotiate a reduction in subsidy	Andrew Thomas	Possible reduction in opening times at leisure facilities. Minimal impact for service users	1,378	22%	100	200
ELLL803	ES&C	Youth Service - secure 5% efficiencies on core budget	Chris Millis	Reduced provision, resulting in less capacity to support young people.	510	5%	25	0
ELLL804	ES&C	School meals	Chris Millis	Savings identified as a direct result of the reduction in the number of schools	1,835	3%	50	0
ELLL805	ES&C	Music - set 10% efficiency target	Chris Millis	Reduced access to music provision across the County Borough.	170	10%	17	0
ELLL806	ES&C	Cut ERW additional funding	Chris Millis	Cease annual contribution to ERW and reduce core funding on the basis there are now far fewer schools in NPT	0	N/A	80	0
ELLL807	ES&C	School cleaning - full cost recovery	Chris Millis	Increase current costs to primary and special schools. Possible risk of outsourcing.	70	100%	70	0

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18 £000	% saving	2018/19 £000	2019/20 £000
ELLL808	ES&C	Margam Park - market test with a view to appoint an operator for the catering functions.	Andrew Thomas	No impact to service users. Possible TUPE issues for staff for the very small number of staff who may be affected	366	20%	0	75
ELLL809	ES&C	Inclusion services - efficiency savings	Andrew Thomas	Further review of all areas of expenditure to secure efficiencies, e.g. vacancy management, out of county placements of pupils, maximising income	4,648	1%	50	0
ELLL810	ES&C	Cefn Coed Museum - reduce subsidy	Chris Millis	Consult with Friends of Cefn Coed Museum to consider running the service as a Community Facility, if this is not a viable option, the facility could close.	55	18%	10	0
ELLL811	ES&C	Home to School Transport - 1% savings target	Chris Millis	Home to school transport route re-tender savings.	5,360	1%	50	0
ELLL812	ES&C	CYP - 5% efficiency on core budget costs	Chris Millis	Reduced provision, resulting in less capacity to support young people.	515	5%	25	0