

# **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

## **CABINET SCRUTINY COMMITTEE**

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

**27<sup>TH</sup> November 2018**

#### **SECTION A – MATTER FOR INFORMATION**

**WARDS AFFECTED: ALL**

#### **CONSULTATION ON CORPORATE SERVICES BUDGET AND DRAFT SAVINGS 2019/20**

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

To provide Members of the Cabinet Scrutiny Committee with supplementary information regarding the savings proposals for the Corporate Services Budget, set out in the Cabinet Report of 31<sup>st</sup> October 2018, 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 2018/19 is £282.855m and together with grants and income results in a gross investment or budget of some £424m in Council services across the County Borough. The Council also invests circa £47m per annum through its capital programme.

On the 31<sup>st</sup> October 2018 the Council's Cabinet approved to commence public consultation on draft budget savings, cuts and income generation proposals for 2019/20 to 2022/23. As members are aware the 2019/20 Provisional Local Government Settlement provides a cut in Welsh Government Funding across Wales of 0.3% but with a slightly better outcome of +0.2% increase for this Council. This has resulted in a projected gap and savings required of £12.262m to set a balanced budget for next year rising to over £64m for the next 4 years to 2022/23. The report also highlighted that Directorate and Central proposals total £8m (i.e. £7.351m and £0.692m respectively) with over £4.2m to come from reserves. The

First Minister has stated that Local Government is first in the queue to receive a share of additional funds made available to Wales by the Chancellor, which will assist to reduce the funding gap and provide opportunities for the final budget determination in February 2019.

### 3. Executive Summary

The Corporate Services budget for 2018/19 total's £17.433m, this report includes details of potential savings/cuts/income generation of £407k for 2019/20 and a total of £1.013m for the period 2019/20 to 2022/23. Details of these savings by Division are show in the table below:

Division	2018/19 Budget £'000	Savings Proposed			
		2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
ICT	4,004	160	160		
Democratic and Corporate Services	4,105	85	86	170	190
Legal Service	2,083	24			
Human Resources	2,244	12			
Finance	3,793	126			
Directorate Management and Third Sector Grants	1,404				
Use of Reserves	(200)				
<b>Total</b>	<b>17,433</b>	<b>407</b>	<b>246</b>	<b>170</b>	<b>190</b>

In addition there are £692k of Central Savings included within this report for scrutiny.

Members should note that any of the proposals with references beginning 'CORP5/7/8' have been consulted on previously but are included again for completeness.

### 4. Draft savings for consultation

This report sets out for Members further details of those savings proposals required of the Chief Executive and Finance and Corporate Services functions for 2019/20 as incorporated within the Corporate Services budget (see also Appendix 1).

Please find below specific information from each Head of Service and the Assistant Chief Executive relating to the draft savings, cuts

and income generation proposals for 2019/20 and subsequent years:-

#### 4.1. ICT Division

As Members are aware, the ICT Service transfers in 2019/20 into the portfolio of the Assistant Chief Executive. A draft digital strategy - Smart and Connected – was approved for public consultation during 2018/19. The strategy, once finalised, will provide a clear corporate framework for embracing digital technologies across all of the Council's services and functions with the ICT Service playing a key role in its delivery. As the delivery programme for the Strategy is developed in detail, there will need to be careful consideration of the Council's planned investment in ICT as the organisation becomes increasingly reliant on technology to respond to the opportunities and challenges that lie ahead.

The Division is responsible for the provision and support of all ICT functions, including support for the i-procurement system, across the Council's departments including its schools. It has a strong track record of delivery. The ICT budget is set out in the table below:

<b>Service</b>	<b>Budget 2018/19 £'000</b>	<b>Staffing FTE</b>
ICT	4,004	93.2

#### **Key Service Information:**

**Business Support** – Comprising of administration support, programme and project management, budgeting control and deriving efficiency savings.

**Infrastructure Services** – Support and maintenance of the ICT Infrastructure Services, Servers, Storage, Local and Wide Area Networks and Databases which underpin the day to day operation of the Council.

**Service Desk** – The Service Desk receives an average of 163 calls per day 77% of which are resolved on the day they were logged. The team is the first line support for all aspects of service delivery across and within approximately 250 sites.

**Desktop Build and Support Services** – Installation and maintenance of the desktop estate, PC, Laptop and Tablet for all service directorates.

**I-Procurement** – Supporting over 300 users across the Authority to order electronically, creating approximately 90,000 transactions per year through the system. The team continues to support the increase in the number of service users using i-Procurement tools.

**Application Development and Support** – This service develops and supports IT applications for both Council and other public sector customers. The service also supports multiple 3<sup>rd</sup> party procured systems, hosted locally and within the “Cloud”. In total, the service supports over 200 IT systems, desktop and web delivered applications.

**Unified Communications Services** – Provision and support of voice, video conference and presence across desktop and mobile devices. Service will underpin the flexible working profiles of the authority’s new telephony system.

**Schools and Learning Services** – Provision of a comprehensive design, installation and support service for the ICT infrastructure and Application base which supports Teaching and Learning across all schools, Primary, Secondary and Special, within the County Borough. The Service is one of the key enablers to the implementation of the new Teaching and Learning Model introduced as part of the SSIP.

**Information and Security Services** – Responsible for Information Governance, Security and Exploitation. Also the provision of Information Asset Reviews, Privacy Impact Assessments, ICT Security Planning and security related investigations.

**Accommodation Moves and Changes** – A dedicated service to facilitate the relocation of services and staff across the Council’s estate. This to include new service provision, planning, contractor management, physical (re)location and asset disposal.

**Data Sciences Team** – a new function created following a review of middle management in 2018/19 that will underpin one of the priority areas set out in the draft Digital Strategy.

## **Savings Target and Proposals**

The savings target for ICT Services for 2019/20 is £160k with a further £160k to be delivered in 2020/201 and detailed below are the proposals to achieve those targets. The savings are targeted at workforce costs. In the very short term, the age profile of the service provides for the costs of the workforce to be reduced as people exit from the organisation under planned retirement or through other turnover. Given the importance of the digital agenda to the Council, work will be undertaken to maintain capacity but to develop the skills profile. This will enable the Council to have effective succession planning arrangements in place, in particular to further grow opportunities for apprentices and trainees. Longer term, it will be crucial to ensure that the Council right-sizes its ICT Services to ensure that the technologies that underpin business operations are safe, effective, economic and reliable. This will include continuously reviewing changes taking place across the ICT sector which will inevitably impact on the skills the Council will need to continue to secure in its direct workforce, and those skills that will need to be provided by others.

### **CORP702 – ICT Staff Reductions – £160k 2019/20, £160k 2020/21**

This saving in 2019/20 will be delivered by reducing the cost of the ICT workforce, especially the cost of management across the Division. No immediate impacts are envisaged as plans have already been put into place to secure effective succession planning. Longer term, further cuts in the budget could impact on development capacity which will require a prioritisation of those activities that the Division will deliver against. This may mean that other developments will fall and service requests will take longer to effect. Income generation and/or collaborative opportunities may offset some job losses/service issues. In addition a number of posts are funded from reserves which will be exhausted by March 2020.

## **4.2. Corporate Strategy and Democratic Services Division**

The Corporate Strategy and Democratic Services Division has a budget of £4.105m. The division comprises a number of services which are set out below:

<b>Service</b>	<b>Budget 2018/19 £'000</b>	<b>Staffing FTE</b>
Comms. and Marketing - PR	295	9.6
Digital Services	101	3.0
Customer Services	711	22.1
CCTV	244	4.7
Community Safety	164	9.8
Elections	156	4.0
Electoral Registration	80	N/A
Mayoral	83	2.0
Civic and Ceremonial	32	N/A
Democratic Services - Committee Services	161	4.0
Democratic Services - Scrutiny Services	121	3.7
Executive Support	156	4.0
Democratic Services – councillor remuneration	1,468	N/A
Corp. Strategy/Performance	285	6.8
Substance Misuse – regional team	48	3.8
<b>Total</b>	<b>£4,105</b>	<b>77.5</b>

The Substance Misuse and Community Safety team also manage grant funding of c£3.6m delivering treatment services across the Western Bay area in conjunction with a number of partners.

### **Key Service Information:**

**Communications and Marketing** – This consists of the Council’s press and public relations support, support for the Council’s Digital by Choice Strategy (including maintenance of the Council’s website content), together with professional advice on all marketing and communications matters and support for major corporate consultation exercises, such as consultation on the Council’s priorities and budgets. In 2018/19 the Council approved a new Corporate Communications and Community Relations Strategy which set out a renewed emphasis on ensuring citizens are well-informed about the Council’s plans, priorities and activities. The Strategy has created a significant change within the

Services with the team embracing a “digital first” approach and also beginning the important work needed to strengthen community and workforce engagement.

**Customer Services** – often described as the face and voice of the Council, this service provides the One Stop Shop and Contact Centre Services, dealing with around 300,000 individual customer contacts a year ranging from refuse and recycling queries, to establishing eligibility for Blue Badges and Bus Passes to signposting people to the Council departments or other bodies. This service has been significantly affected by the channel shift objectives set out in the current Digital by Choice Strategy and further change is expected in future years.

**CCTV** – Monitors the Council’s public space closed circuit television cameras which are now concentrated in Neath and Port Talbot town centres and along the seafront in Aberavon. Produces footage to support the police in detecting crime and also deals with all emergencies and out of hours telephone calls received.

**Community Safety** – Based at Neath Police Station, the team processes all anti-social behaviour complaints and arranges actions to address persistent problems; deals with referrals of vulnerable people who could be drawn into terrorism or other forms of extremism; supports over 300 high risk victims of domestic abuse each year, including supporting people through the court process; mounts hundreds of crime prevention campaigns of both a general nature as well as campaigns that are targeted towards particular groups of people or particular communities. Most of the income that funds this service is obtained from specific grants. In 2018/19 the team has played a central role in responding to reports of anti-social behaviour across the county borough. In particular, this has involved concentrated work in the Neath town centre area. The team has also overseen the delivery of the first year of the Violence Against Women, Domestic Abuse and Sexual Violence Strategy.

**Elections** – Ensures that the Electoral Register is maintained so that local people eligible to vote in elections can do so. The team supports the Returning Officer to administer safe and efficient elections across the county borough. Ensures community boundary reviews are properly conducted and in 2018/19 has supported the Returning Officer and Members in relation to the Electoral Commission’s electoral review of the county borough.

**Mayoral, Civic and Ceremonial** – supports the Mayor and Deputy Mayor in presiding over Council meetings, as well as participating in over 300 civic engagements as first citizen of the County Borough. Raises significant funds for nominated charities each year. In 2018/19 a Festival of Remembrance was a new addition to the mayoral calendar - an important new initiative that commemorates the contribution of those who have served their country. Plans are also well advanced to establish a First Citizens Awards even that will celebrate the contribution of local people to local communities as well as work with young people to raise the profile of proposed legislation that will extend the franchise for some elections to young people aged 16 and 17. None of the new events place an additional burden on the Council's budget as costs have been met from income generation activities.

**Democratic Services and Executive Support**– administers all of the Council's formal business, executive, regulatory, scrutiny and other meetings during the civic year. Ensures reports are accessible and that accurate records of meetings are maintained and, where appropriate published. Organises the induction programme for new elected councillors and provides general support to elected members in the roles. Organises the Member Development programme. Provides support to the Leader of the Council and the Chief Executive. In 2018/19 the team also became responsible for servicing the Joint Scrutiny Committee that will monitor the progress of the City Deal.

**Corporate Strategy** - prepares and publishes many of the statutory plans and policies that affect the Council as a whole; manages the interface with town and community councils, the voluntary and community sector, the Wales Audit Office; supports and encourages networks of people who share protected characteristics to inform the wider work of the Council; supports the Public Services Board, produces the performance management reports and ensures the performance management framework is fit for purpose; maintains the Corporate Risk Register and supports the Corporate Governance Group.

**Print Commissioning** – The function ensures that all print work is commissioned to achieve value for money and is consistent with the Council's Corporate Identity and Branding. Given the success of the Council's digital programme, in 2018/19 this function was declared redundant.

**Area Planning Board – Substance Misuse Regional Commissioning Team** - The Council hosts the support arrangements for the regional committee that oversees the delivery of substance misuse services across Western Bay. In 2018/19 concerns were raised about the growth in county lines – a serious and organised criminal network – in the region. A senior level Group has been established to ensure the police are being provided with the assistance needed to disrupt the network, whilst also ensuring that treatment services are responding to concerns about drug-related harm in the area. The manager of this team also oversees the delivery of the Syrian Vulnerable Persons Relocation Scheme.

### **Savings Proposals**

As will be the case in other areas of the Council, the savings/income proposals presented for future years will be challenging to deliver and there is a significant impact on what are now very small (in staffing terms) corporate functions. Approximately, one third of the total departmental budget is not available for savings/income generation; consequently, savings/cuts and income are concentrated upon the remaining two thirds. Most of these functions discharge statutory duties placed upon the Council or deliver important front line services.

### **CORP 577 – CCTV Cost Savings £30k 2019/20 and Income of £40k 2021/22 and £80k 2022/23**

Savings will occur at the end of the current CCTV maintenance contract period which reflects a lower number of cameras following the camera estate review. The Council has no statutory duty to provide a public space CCTV service and a service review conducted in the previous administration did not identify any opportunity to share the costs of this service with partner agencies. Members did conclude that CCTV was an important service to sustain and authorised officers to explore the potential to merge the monitoring function with either Bridgend or Swansea councils. Unfortunately, neither of those authorities were able to support this proposal - for different reasons. At the present time, a new service review is being undertaken with the objective of securing other income that could help to sustain this service over time. This will involve testing the business case for integrating CCTV monitoring with other monitoring activities such as fire/intruder and community

alarm monitoring. The business case is scheduled to be considered by the Cabinet Board in the current financial year.

**CORP 901 –Corporate Strategy - £25k**

This saving involves the automation of one post following introduction of the new Corporate Performance Management System. The employee affected has been redeployed under the Council's Management of Change Scheme. The loss of this post in the section now reduces the Council's corporate planning, policy and performance management capacity to a team of less than four officers. Further reductions in this team are not seen as viable without creating a significant risk that the Council's statutory duties – which are increasing over time both in terms of volume and complexity - will not be met.

**CORP902 – Reduce Management Cost - £25k 2019/20, £30k 2020/21 and £30k 2021/22**

The Chief Executive carried out a senior management review in 2018/19 which resulted in a further reduction in the number of Chief Officers' posts in the Council. One of the changes introduced by that review was to bring the ICT division under the management and control of the Assistant Chief Executive. Subsequent to the Chief Officer review and taking planned and unplanned turnover at management level into account, there has been a rationalisation of middle management across the new department. A gradual reduction in management costs over the next three years features in the Plan. It should be noted that management portfolios are now significantly wider than has been the case in the past with post-holders expected to deliver more with less. Provision is being made to support those in posts with suitable training.

**CORP903 – Digital Strategy – further transformation of customer services - £36k 2020/21 and £30k 2021/22**

Council approved public consultation on a new draft digital strategy – Smart and Connected – earlier this year. The consultation process will end in November 2018. The new strategy extends the use of digital technologies across all services and functions. As a result of changes introduced under the current strategy – Digital by Choice – and taking into account the direction of travel mapped out in the new strategy, the number of face to face and telephone callers is reducing as the number of people accessing on-line services increases. Consequently, it is proposed that the Council will concentrate its face to face service delivery at Neath Civic

Centre and significantly automate a high volume of incoming calls. More details analysis of the impact of these proposals will be carried out and reported back to the Cabinet. The impact of the proposals are to further reduce the staffing complement in Customer Services Department and the financial cost of the service.

**CORP904/906 – Income Generation - £20k 2020/21, £80k 2021/22 and £130k 2022/23**

Earlier this year, the Council approved a new Communications and Community Relations Strategy. Within that Strategy, there are proposals to examine the potential to generate income using the Council's information assets through advertising and sponsorship. The development work is not scheduled to commence until 2019-20.

To support the Council's drive to increase income, opportunity to refocus some of the communications, marketing and customer services functions to promote goods and services have been identified. The detail of this work will be developed in 2019/20.

**CORP911 – Remove contribution to Member development reserve - £5k**

This reserve funds the cost of equipping Members with ICT, training and other relevant items following the local government elections that take place on a five yearly basis. It also provides the means to address any requirements that may be identified mid-term. As the reserve has sufficient funds to meet known future needs, the annual contribution to reserves has been identified as not required. The Assistant Chief Executive, in her role as the statutory Head of Democratic Services will conduct a review of the adequacy of the reserve prior to the next local government elections.

### **4.3. Legal Services Division**

The Legal Services Division has a revised budget of £2.176m. The Division comprises a number of services which are set out below with current budgets and staff numbers:

Service	Budget 2018/19 (£'000)	Staffing FTE
Legal Services (Comprising the Monitoring Officer, Litigation, Property and Corporate Legal Advice and Business Administration)	919	22.5
Land Charges	(52)	3.0
Legal Childcare	849	21.0
Corporate Procurement	137	6.0
Licensing	0	6.7
Registrars Service	(7)	5.0 (plus casuals)
Coroners Service*	248	N/A
Mailroom	82	4.0
<b>Total</b>	<b>2,176</b>	<b>70.2</b>

\* The Coroners Service is operated by City and County of Swansea. The budget figure represents NPT's contribution towards the cost of the service

### **Key Service Information**

**Monitoring Officer** - To ensure that the Council, its officers and its elected Councillors maintain the highest standards of conduct in all they do as prescribed in the Local Government and Housing Act 1989.

**Litigation** - To provide advice to the directorates of the Council in respect of all contentious issues and providing advice in respect of Licensing, Employment Law, Environmental Law, Environmental Health and Public Protection, Freedom of Information and Data Protection, Adult Social Services, Enforcement and Prosecutions, Education and all contentious areas.

**Property and Corporate** - To undertake all non-contentious legal work in respect of the Council's Estate Management functions and to undertake the preparation of all statutory agreements including Highway, Planning Agreements, Commons Registration Work and other property related matters.

**Business Administration** – To provide support to the Legal Services section in all areas of business administration and to assist the Finance and Corporate Services and Chief Executive Directorates with information governance responsibilities

**Land Charges** – To maintain the Local Land Charges Register and to provide Solicitors, Conveyancers and prospective purchasers or sellers of a named property or piece of land within Ceredigion, with information by means of a local authority property search document

**Legal Childcare** - To advise the Social Services Directorate on all aspects relating to its childcare social services functions including safeguarding and child protection issues.

**Corporate Procurement** – To set out best practice for procurement across the Council, ensuring that all procurement activities operate within the context of value for money, efficiency and continuous improvement. The team supports the Council's aims and objectives and undertakes the legal work in relation to all of the Council's commercial arrangements and supporting the Council in corporate tenders and use and availability of the procurement frameworks issued by the National Procurement Service, Crown Commercial Services, etc.

**Licensing** – To oversee the licensing and enforcement functions of the Council in accordance with the applicable licensing laws.

**Registrars Service** - undertake all registration services for births, marriages (including civil partnerships) and deaths in accordance with registration laws.

**Mailroom** – To oversee the mail related functions of the Council and the provision of a courier service to Council buildings and other venues as and when requested.

### **Demand for Service**

This is one of the smallest divisions within the Council and opportunities for savings are now very limited. Whilst non-staffing budgets will continue to be scrutinised and reduced wherever possible to do so, the only source of any significant saving will be through reducing the number of people employed within the

Division. Any further significant reductions in staff numbers will result in services, either ceasing altogether, or being significantly reduced. Over the years capacity has been taken out of the core legal teams of Property, Litigation and Childcare and more recently the administrative side of the legal section.

The very services which are called for in current circumstances are those which very often contribute towards the Council's efforts to transform services and cut expenditure. These services include procurement, contracts with third parties and collaborations such as Western Bay and the Swansea Bay City Deal, the letting of assets such as community buildings and sports/leisure facilities to community groups, advice on personnel issues, equalities and decision-making in a time of reducing budgets. Where there are challenges to decision-making these require significant amount of legal work and both internal and external advice and this becomes more difficult with reduced capacity.

The resilience of the legal teams to deal with events such as complex litigation, judicial reviews and other complex work is considerably diminished. Also, if in-house staffing continues to reduce and the work is still there, the only other alternative is to put more work out at greater cost.

Any absence of staff or sudden increase in workloads now has a marked effect on the efficiency of the Section and service delivery suffers. Loss of experienced staff will mean that the service will need to be rebuilt in the short to medium term. Attempts are being made to build more resilience into Legal Services.

The Council has for numerous years had a strong and resilient team in respect of Childcare Legal Services (ranging from solicitors to paralegals and administrative staff). The complexity of work is high and where numbers reach the court stage, the legal work involved is complex and contentious requiring significant time and resources to be spent on each case. In recent years, the Council has seen an increase in adult safeguarding cases, as a result of changes in legislation (i.e. deprivation of liberty cases), to the extent there are now considerable numbers of cases requiring legal involvement with limited scope to be able to advise in the Legal Services section. Currently we have one member of staff advising on these matters in amongst other areas that they

undertake. Attempts are currently being considered to address this and discussions are ongoing.

Since July 2018, Legal Services has also gained the Corporate Procurement Unit with the various functions that this section entails. We have recently recruited an additional Senior Procurement Officer in order to deal with the increasing number of procurement exercises being carried as part of the detailed programme of procurement being embarked on by the Social Services Directorate as part of achieving the Forward Financial Plan and as a result of current contractual arrangements coming to an end. This has the potential to increase significantly the volume of work coming within the scope of the Corporate Procurement team, with one legal officer dedicated for all contractual and commissioning work that the Council in its entirety undertakes. As the Council embarks on work to achieve efficiencies and savings, the work of the Corporate Procurement team will increase and as we develop more strategies to not only ensure legal compliance but to also ensure that the Council continues to receive best value from its contracted services there will likely be increased demand in this area.

### **Savings Proposals 2019/2020**

The budget for Legal Services consists almost entirely of expenditure on staffing. Licensing is almost entirely self-funding and it is not legally possible to make a profit from this service. The fees for the Register Office are almost entirely set by the UK Government though non-statutory fees have recently been reviewed and approved by Cabinet.

In 2017/2018 we reduced the number of staff providing administrative support to Legal Services, the Directorate and the Council corporately and within the Land Charges team. For the next year we have again had to turn to the administrative support teams and following the retirement of the Business Support Manager and the internal recruitment of a new Business Support Manager, the service has been redesigned in order for savings to be generated but efficiency and resilience to be reinstated.

**CORP909** – Savings following internal promotion of staff (18k saving) saw the deletion of a Support Services Supervisor post and a re-designation of other roles via a Management of Change process which was subsequently approved by Personnel Committee on the 15<sup>th</sup> October 2018. Provision for legal fees and legal library is limited and substantial savings are not available there nevertheless attempts have been made to review our subscriptions and packages.

**CORP910** – Reduction in Online Resource (Contract ending in April 2019) (Saving of £5K) – Some of our online resources used by Solicitors for research purposes and to keep abreast of changes in law will be cancelled. Training will be provided to legal staff to show how information can be sourced from other packages that the Council subscribes to.

#### 4.4. Human Resources Division

The HR Division's budget for 2018/19 totals £2.244m. The budget is comprised of the following areas:

Service	Budget 2018/19 £'000	Staffing FTE
Human Resources	1,144	30.35
Seconded Trade Unions	140	4.00
Training & Development*	259	3.00
Occupational Health & Safety	600	14.06
Emergency Planning	101	3.00
<b>Total</b>	<b>2,244</b>	<b>54.41</b>

\* an additional 18.73 FTE posts are funded by specific grants covering Social Services training requirements (please note that the budgets that fund these posts sit within SSHH)

#### Key service information

##### Human Resources

The **3 Professional Teams** (15.75 FTE), are comprised of CIPD qualified HR Officers and managed by the 2.6 FTE HR Managers of the Division providing professional, specialist support for the most complex and difficult aspects of managing people and in maintaining employee relations, consultation and negotiating arrangements with trade unions. This includes putting in place the necessary employment framework, e.g. policies and procedures, etc to ensure the Council is legally compliant as an employer. The team have a key role to play in support the management of change across the Council, including change linked to the Council's financial situation.

Included in these teams are 4 FTE funded by Social Services Health and Housing to provide additional support, initially as part of the SSHH improvement journey and now as an established and integral part of the service. It also includes 2 FTE funded temporarily from reserves to reduce sickness absence across the Council (established by the Sickness Taskforce in 2014).

The **HR Employment Support Team** (9 FTE) provide the administrative services to the Council that are associated with employment, including recruitment administration, pre-employment and safe recruitment checks, employment contract administration, etc and as well as providing basic HR information and advice. This team also has the important role of supporting redeployment activity, and providing advice and guidance to those at risk of redundancy.

The small **HR Workforce Information Team** (3 FTE) support workforce data management, establishment control and provision of workforce data internally and externally and support workforce planning activity across the Council.

### **Seconded Trade Union Officers (UNISON / GMB)**

The budget for seconded Trade Union Officers sits within the Service's overall budget. The number of trade union representatives who are seconded is a matter that is discussed and agreed annually with the respective trade unions and within the available budget.

## **Occupational Health & Safety**

The **Health and Safety** team (9.39 FTE) deliver services in line with the British Standard Occupational Health and Safety Assessment Series (OHSAS) 18001, an internationally applied British Standard for health and safety management systems. This helps minimise risks to health and safety by ensuring that they are effectively controlled, managed and minimised. The team ensure that the necessary framework is in place through the provision of policy, procedure, advice, guidance and support where necessary, as well as supporting accident investigations (369 accidents occurred in 2017/18). This team also provides support to the Council's Safety Advisory Group, which ensures safe event planning for special events held within the County Borough.

The role of **Occupational Health** (4.67 FTE) is to provide management and employees with the medical advice required to support the management of attendance, reduce the impact of ill health and sickness absence within the workplace and to promote a safe and healthy working environment. This includes 1 FTE funded temporarily to support the digitalisation of OHU services – this work led to reductions in expenditure on externally purchased physician services last year.

## **Emergency Planning**

This small team (3 FTE) ensures that the Council can comply with obligations under the Civil Contingencies Act 2004 (policies, plans and exercises). The team assess local risks in order to identify what we need to plan for, write and review emergency plans, work with other key organisations to enhance the management of an emergency, ensure that the Council has plans in place to deliver important services to the public during an emergency (Business Continuity Plans), share important information with local organisations to enhance emergency preparedness and provide a 24 hours, 365 days a year on call service to help in the management of a major emergency. The current budget includes 1 FTE funded temporarily to support this on call service, currently operating to a 1 in 4 rota.

## **Learning, Training and Development**

The team provide learning, training and development services to the Council as well as private and voluntary social care providers in the County Borough. The majority of employees in the team are funded through, and employed in line with, the Welsh Government's grant for the Social Care Workforce Development Programme, as well as match funding from the Social Service's Directorate – services are largely focused therefore on training and developing the social care workforce.

A small corporate team of 3 training officers provide focused training support to the rest of the Council in identified priority areas, for example, Health & Safety related training with Environment and the digital skills development of the workforce.

## **Savings proposals 2019/20**

This is one of the smallest but important services within the Council and opportunities for savings are now very limited. Whilst non staffing budgets will continue to be scrutinised and reduced wherever possible to do so, as 93% of the budget is allocated to staffing costs, the only source for any significant savings will be through reducing the number of people employed across the Service and through selecting for compulsory redundancy.

Any further significant reductions in staff numbers will result in services, either ceasing altogether, or being significantly reduced, but it will not remove the obligations that the Council has as an employer and local authority (i.e. HR services may cease, but the work, the obligation and the risks will remain).

Scrutiny of any posts that become vacant, and expressions of interest in Voluntary Redundancy, are expected to increase the modest savings set out below, and address the temporary posts within services currently funded from reserve monies.

### **CORP907 - HR Non Staff Savings £6k**

This saving relates to reducing expenditure on printing, postage, books, stationary and conference fees by moving to digital services and solutions.

### **CORP908 - HR Staff Savings £6k**

As part of the Council's Digital Strategy, the HR Employment Support Team have been piloting Robotics Process Automate (RPA) – a means of automating routine administrative tasks. It is anticipated that if this pilot continues to prove successful, it will not only enable the service to increase the savings committed to for 2019/20, as well as produce further savings in 2020/21, but it should also pave the way for roll out across the wider Council, with the potential for other services to make significant savings.

#### **4.5. Finance Division**

The Finance Division has a budget of **£3.792m**. The division comprises a number of services which are set out below:

<b>Service</b>	<b>Budget 2018/19 £'000</b>	<b>Staffing FTE</b>
Accountancy Services	1,667	48.7
Internal Audit	239	7.5
Exchequer Services	340	25.9
Debt Collection and Cashiering	240	7.5
Business Rates Administration	(170)	2.5
Council Tax Administration	546	22.1
Housing Benefit Administration	508	34.1
Social Care Assessments	422	12.6
<b>Total</b>	<b>3,792</b>	<b>160.9</b>

Over the last three financial years the Finance Division has achieved over £800k in budget savings. The vast majority of this has been achieved by reducing the Division's headcount either through voluntary redundancy or non-replacement of posts which have become vacant through natural turnover.

The work of the Division has not decreased; the need for effective financial management is greater than ever as budgets reduce across the Council; the Statement of Accounts needs to be produced earlier each year; Council Tax collection rates need to be retained in an environment when the sanctions available are reducing; and the work of Internal Audit in ensuring that good governance arrangements exist across the Council needs to be built on. These are only a handful of the functions provided by the

Division however they do highlight the fact that continued reductions in staffing will have to be carefully managed to ensure they do not have a detrimental impact on the financial wellbeing of the Council.

### **Key Service Information:**

**Accountancy Services** – Includes maintenance of the financial ledger, budget preparation and monitoring, Statement of Accounts, Treasury Management (where we manage £280m of borrowing and £60m of investments), Insurance, Court Deputy Service.

**Internal Audit** – Produce, on average, over 65 formal audit reports per year and ensure good governance arrangements across Council Services.

**Exchequer** – We make 80,000 salary payments and more than 74,000 creditor payments a year.

**Debt Collection and Cashiering** – The Miscellaneous Income section administers £9m of debts, whilst the Cashiering section deals with 1,900 transactions per week.

**Business Rates** – The service deals with the billing and collection of £45m from more than 4,100 commercial properties. It also manages the collection of funds for Neath Business Improvement District.

**Council Tax** – The service deals with the billing and collection of £70m from more than 65,000 properties.

**Benefits** – This section handles the assessment and payment of £54m to 13,000 tenants and approximately £17m in Council Tax Support to over 17,000 council tax payers.

**Social Care Assessments** – This service provides assessment for all Social Care clients and payment of £34m to people for social care services.

### **Savings Target and Proposals:**

#### **CORP801 - Reduction in number of staff £120k**

Following retirement, staff turnover and requests for Voluntary Redundancy the opportunity has been taken to restructure services within the Accountancy Sections. This has resulted in a reduction of 5 posts within the service.

#### **4.6. Other Directorate Management and Third Sector Grants**

The Directorate Management budget for 2018/19 amounts to £974k which funds corporate costs and 5 FTE positions.

In addition, the Directorate manages the Third Sector Grants Budget totalling £415k. As Members are aware, the grants process for 2019/20 is already in progress and a report will be forwarded to Cabinet in Mid-December with proposals for the award of next year's grants.

#### **Corporate Services Summary**

Members should note that the Corporate Services total Cash Limit in 2018/19 amounts to £17.433m. This budget is underpinned by the use of specific reserves totalling £200k, which once used will need further service reductions in future years. The current year's budget monitoring position shows a projected underspend on the total Corporate Services Budget of some £200k. It is proposed to reduce the use of reserves to £100k for 2019/20 with the aim of removing any reserve requirement by April 2021.

#### **4.7. Central Savings**

In addition to the savings being delivered from the Corporate Services budget Cabinet Scrutiny Committee are also responsible for scrutinising the Central Savings of £692k as outlined in the Budget Consultation report approved by Cabinet on 31<sup>st</sup> October 2018. Details of these Central Savings are outlined below:

##### **C1 – Council Tax Support £500k**

It is proposed to reduce the budget allocated to meet the cost of providing Council Tax support by £500k. This brings the budget in line with current demand. Members should note that currently c£17,000 claimants received Council Tax Support, c13,000 receive 100% support towards their Council Tax and c4,000 receive partial support.

##### **C2 – Pay and Pensions Provision £192k**

This saving reduces the immediate call on the Council's budget in relation to meeting unexpected pay and pension increases. It is proposed to reduce this budget to zero and utilise the newly

established Corporate Contingency reserve to deal with such eventualities.

As Members are aware it is also proposed to use reserves to balance the draft budget for 2019/20.

### **C3 – Contribution from General Reserve £895k**

It is proposed to use the estimated surplus generated from the Collection Fund to underpin the base budget. This savings strategy will need to be carefully monitored in relation to the actual Council Tax collection rate compared to that assumed in the budget.

### **C4 – Contribution from General Reserves £2,679k**

In order to balance the 2019/20 budget it is proposed to use £2.679m from General Reserves. This is a temporary strategy as the use of reserves to underpin the budget is not sustainable in the long term. Additional cuts/savings/income generation will be required in subsequent years' equivalent to the reserve pull to ensure long term sustainability.

## **5. 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.

## **6. Integrated Impact Assessment**

Integrated Impact Assessments for the 2019/20 Budget are being developed in two stages: stage one involves making an initial assessment of the impact of the budget proposals on a range of statutory duties that the Council is required to meet. Those duties include: the Equality Act 2010; the Welsh Language Standards; the Well-being of Future Generations (Wales) Act 2015; duties in respect of Bio-diversity and a range of other factors.

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 a relevant protected characteristics and persons who do not share it

The Well-being of Future Generations Act 2015 (“the 2015 Act”) requires the Council to think about the long-term impact of their decisions, to work better with people, communities and each other and to prevent persistent problems such as poverty, health inequalities and climate change. The 2015 Act imposes a duty on all public bodies in Wales to carry out “sustainable development”, defined as being, “The process of improving the economic, social, environmental and cultural wellbeing of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the wellbeing goals.” The action that a public body takes in carrying out sustainable development includes setting and publishing wellbeing objectives, and taking all reasonable steps in exercising its functions to meet those objectives.

The 31<sup>st</sup> October 2018 report identified the need for the Council to make budget savings of £12.2m for 2019/20 and as such many of these will have a negative impact on services provided across the whole of the county borough.

The first stage of the integrated impact assessment process highlights the following proposals as having material impacts:

- The proposed withdrawal of services provided at the One Stop Shop at Port Talbot Civic Centre – concentrating the Council’s face to face service delivery at Neath Civic Centre;

## **7. 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.

The workforce proposals set out in this report result in job losses either via natural staff turnover, retirement or voluntary redundancy.

## **8. Consultation**

Public Consultation on all of the draft savings proposals set out in the Cabinet report of 31<sup>st</sup> October 2018 has commenced and will run until 11<sup>th</sup> January 2019.

## **9. 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. New income generation opportunities and fees are also under consideration to reduce the financial funding gap. 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.

## **10. Recommendation**

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

## **11. Appendices**

Appendix 1- Draft savings for consultation

## **12. Background Papers**

Budget working files

## **13. Officer Contact**

For further information on this report item, please contact:

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## Appendix 1

Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
CORP577	CAB	CCTV – cost savings	Karen Jones	Savings at the end of the current CCTV Maintenance contract period which reflects a lower number of cameras following the camera estate review.	244	12%	30	0	0	0
CORP702	CAB	ICT Staff reductions	Steve John	Development capacity will fall and service requests will take longer to effect. Income generation and/or collaborative opportunities may offset some job losses/service issues. A number of posts are funded from reserves which will be exhausted by March 2020.	3,875	8%	160	160	0	0
CORP801	CAB	Finance Division – Reduce number of staff	Huw Jones	This proposal will reduce the number of people working within the Finance Division with posts being lost through the Voluntary Redundancy process. This will put more pressure on the staff remaining and reduce resilience within the Division.	3,793	3%	120	0	0	0

## Appendix 1

Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
CORP901	CAB	Digital strategy – automation of one post following introduction of a new Corporate Performance Management System.	Karen Jones	Employee has been redeployed under the Council's Management of Change Scheme.	284	9%	25	0	0	0
CORP902	CAB	Reduce management cost	Karen Jones	Management review following staff turnover.	4,105	2%	25	30	30	0
CORP903	CAB	Digital strategy – further transformation of customer services	Karen Jones	Digital strategy – Move to a position where there is one One Stop Shop. This will mean a gradual reduction in face to face services at Port Talbot Civic Centre. Automation of telephone calls at Contact Centre Service leading to a reduction in the number of jobs.	711	9%	0	36	30	0
CORP904	CAB	Income generation – info asset sponsorship – implementing the corporate communications and community relations strategy	Karen Jones	Income Generation and Digital Strategy – Introduce targeted sponsorship and advertising policy for the Council's information assets, based on ethically and commercially sound policy. The business case is being developed and is likely to require pump prime funding i.e. invest to save.	396	20%	0	0	30	50

## Appendix 1

Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
CORP905	CAB	Income generation – working towards a self-financing CCTV service	Karen Jones	Revisit the 2015 options appraisal to identify a strategy that can reduce/eliminate the Council subsidy for this non statutory service. Capital investment will be required to ensure the service can satisfy insurance, business continuity and service requirements.	243	49%	0	0	40	80
CORP906	CAB	Income generation – refocus the communications, community relations, customer services to promote Council services & functions	Karen Jones	Market the Council's services and functions to staff and the external customer base to increase participation in paid for services.	396	30%	0	20	40	60
CORP907	CAB	HR Non staff savings	Sheenagh Rees	Reduce expenditure on printing, postage, books, stationery, conference fees by moving to digital services and solutions	1,283	0%	6	0	0	0
CORP908	CAB	HR staff savings	Sheenagh Rees	Pilot project to automate tasks in the Employment support team, to enable deletion of vacant posts from the structure	1,283	0%	6	0	0	0
CORP909	CAB	Corporate services staff savings	Craig Griffiths	Savings following internal promotion of staff	117	15%	18	0	0	0

## Appendix 1

Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
CORP910	CAB	Legal non staff saving	Craig Griffiths	Reduction in Online Resource - contract ends April 2019	2,083	0%	6	0	0	0
CORP911	CAB	Remove annual contribution to member development reserve	Karen Jones	The reserve balance of £115k is sufficient to meet anticipated future use.	0	0%	5	0	0	0
CORP912	CAB	Savings arising from the cessation of the Print Commissioning function	All	Directorates will commission printing services direct from suppliers, and therefore no longer incur the cost of the overhead from the unit	0	0%	6	0	0	0
C		<b>Total</b>					<b>407</b>	<b>246</b>	<b>170</b>	<b>190</b>

## Central Savings and Use of General Reserves

Ref	Board	Description	Lead	Main Impacts	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
C1	CAB	Council Tax Support		Reduced demand in current year expected to continue.	500	16	16	16
C2	CAB	Pay & Pensions Provision		Reduced to Zero but can be covered by any demand from the new Corporate Contingency Reserve.	192	4	3	1
		<b>Total Central Savings</b>			<b>692</b>	<b>20</b>	<b>19</b>	<b>17</b>
C3	CAB	Contribution from General Reserve - Collection Fund Surplus		Contribution from General Reserve to underpin Base Budget. To use projected annual collections fund surplus.	895	10	10	10
C4	CAB	Contribution from General Reserve		Contribution from General Reserve to underpin Base Budget. Will require additional savings/cuts in subsequent years.	2,679			
		<b>Total use of General Reserve</b>			<b>3,574</b>	<b>10</b>	<b>10</b>	<b>10</b>
		<b>Total</b>			<b>4,266</b>	<b>30</b>	<b>29</b>	<b>27</b>