

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Education, Skills and Culture Scrutiny Committee

Report of the Corporate Director of Education, Leisure and Lifelong Learning

November 30th 2018

SECTION A – MATTER FOR INFORMATION

WARDS AFFECTED: ALL

CONSULTATION ON EDUCATION, LEISURE AND LIFELONG LEARNING BUDGET AND DRAFT SAVINGS 2019/20

1. Purpose of Report

To provide Members of the Education, Skills and Culture Scrutiny Committee with supplementary information regarding the savings proposals for the DELLL services budget, set out in the Cabinet Report of 31st 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 31st 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 Education, Leisure and Lifelong learning services budget for 2018/19 total's £105.524m. This report includes details of potential savings/cuts/income generation of £3.024M for 2019/20 and a further £0.646M in subsequent years. Details of these proposals are shown in the attached table.

4. Draft savings for consultation

The attached savings schedule is in the main, self-explanatory, however the information detailed below is provided to assist Members in their understanding of specific service areas to enable robust scrutiny of the savings proposals

- **ELLL715 – School Catering - £100k**

The school catering service provides school meals for all the Primary and Special Schools within Neath and Port Talbot. In addition to providing school meals, the schools catering service also provides a school breakfast clubs for 54 primary schools.

A significant number of staff are employed within the school meals service, a number of them having dual roles. There are approximately 300 people working within this provision. Gross expenditure for the total service is £3.6m which is offset by income of £1.8m, therefore costing Neath and Port Talbot £1.8m for the financial year 2018 /19.

As this is a strategy which has been agreed by Members previously but not yet implemented, formal staff consultation started on the 18th October and will run until the 9th December. There are currently five proposals being looked at, considering changes to the way in which the school catering service is delivered and the potential effect on staff.

- **ELLL902 – Music Service - £80k**

The music service mainly consists of 29 peripatetic teachers working across the majority of our schools within Neath and Port Talbot. It currently costs £161k to run the service during 2018 /19.

Gross expenditure for this service is £806k which mainly consists of staffing costs which can be broken down into the following component parts , peripatetic teachers £689k , administrative support £29k and associated non pay costs of £88k.

There are approximately 30 people employed by this service. The gross expenditure is offset by income of £645k; this income mainly consists of service level agreement Income with schools, additional income raised by providing additional tuition and income from music centres.

- **ELLL903 – Cleaning Service - £50k**

The cleaning service provides cleaning for all the primary and special schools within Neath and Port Talbot. In addition it all provides cleaning for Bae Baglan one of our middle schools. This service is provided across 61 schools within the County Borough.

The cleaning service also is responsible for cleaning a number of non-school venues; examples include the library headquarters building, Longlands Lane Pavilion and Children's contact centres.

A significant number of staff are employed within the cleaning service,(310) a number of them having dual roles .

The gross budgeted expenditure for the service is £1.38m which is offset by income of £1.33m, therefore the original budget deficit is £50k for the financial year 2018 / 19. The bulk of the expenditure for this service is staffing costs £1.2m.

- **ELLL905 – Welsh Translation Unit - £30k**

The Welsh Translation Unit is currently located in Swansea.

Gross expenditure for this service is £168k which mainly consists of staffing costs £164k. The gross expenditure is offset by income of £76k. This income is generated by the unit charging for all translation activity across all directorates within Neath and Port Talbot Council.

The cost of running the translation unit for 2018 / 19 is £92k. There are 5 people employed by this service.

- **ELLL912 – Library Service –**

Gross expenditure on the library service is £1.705 m which is offset by income of £92k giving a net budget deficit for 2018 / 2019 of £1.613m.

The bulk of expenditure within this area of service is staffing costs £1.04m.

There are 54 people employed by this service.

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 31st 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:

ELLL 715	School catering
ELLL 902	Music service
ELLL904	Croeserw community centre
ELLL 909	SEN post 16 transport
ELLL 912	Library service

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.

8. Consultation

Public Consultation on all of the draft savings proposals set out in the Cabinet report of 31st October 2018 has commenced and will run until 11th 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
ELLL704	ES&C	Out of county placements	Andrew Thomas	No major impact, pupils will have reached school leaving age. Also associated savings in special needs school transport costs which are yet to be determined.	1,060	7%	72	0	0	0
ELLL707	ES&C	Pontardawe Arts Centre - Reduce Subsidy	Andrew Thomas	2nd year of proposal from 2018/19. This will place an imperative on realising increased income targets as identified in the facility's Business Plan and working towards establishing a Cinema via Arts Council for Wales grant funding. The cinema is unlikely to come to fruition until 2020/21 and we are then targeting additional income of £70k per annum. Other possibilities linked to the cinema project are the further development of the licensed bar, and food and beverage offer which complement the Arts programme and cinema audience.	203	54%	40	70	0	0
ELLL715	ES&C	School Catering	Chris Millis	Savings from implementing new pay scales and implementing new working patterns which more accurately reflect the needs of the school. The proposals will reduce the take home pay of many	1,828	5%	100			

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
				catering staff.						
ELLL801	ES&C	Re-negotiate current contract to deliver outdoor education at the Discovery Centre, Margam Park.	Andrew Thomas	Negotiations nearing completion with Field Studies Council which involve a 100% reduction in management fee. However as part of the negotiations it will be necessary to establish an annual "sinking fund" to meet the landlord building maintenance obligations in the sum of £50k. This means the net reduction in management fee is £200k. As a result of removing the entire current subsidy it is likely that NPT pupils will have to pay an increased cost, more in line with what other schools pay who are from outside NPT. Every effort will be made to protect financially disadvantaged pupils from price increases. It should be noted that the Pupil Deprivation Grant a school receives for free school meal pupils can be used to fund attendance at the Discovery Centre at Margam.	200	100%	200	0	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ELLL802	ES&C	Reduction in subsidy of Celtic Leisure Contract (including leisure centres, swimming pools and the Gwyn Hall Theatre	Andrew Thomas	One of the purposes of establishing the leisure trust was the operation would become less reliant on Council management fee overtime and that the company would operate more commercially and generate additional external income through investment in health and fitness. It is not anticipated that the proposed cuts will result in the closure of any existing facilities.	1,328	11%	140	0	0	0
ELLL808	ES&C	Margam Park - income generation	Andrew Thomas	Targeted increase of 24 additional weddings and other functions. It is expected that gross income will increase by over £200k with the net contribution after catering costs being £75k.	365	21%	75	0	0	0
ELLL810	ES&C	Cefn Coed Museum - reduce subsidy	Chris Millis	Second year of strategy agreed in Feb 2018. Consult and work with Friends of Cefn Coed Museum to identify income generation opportunities and volunteer contributions, and support wider development of this facility including current Valleys Gateway proposal.	50	10%	5	0	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ELLL901	ES&C	School Meals	Chris Millis	The current price of a school meal for pupils in primary and special schools is £2.30, and it is proposed that this is increased to £2.35 to take effect in September 2019. The school meal increase will place us approximately 14 th most expensive across Wales, there are 8 other authorities on £2.35 or more .	1,828	2%	30	0	0	0
ELLL902	ES&C	Music Service	Chris Millis	The proposal involves increasing the charge to schools to generate additional income over 2 years to cease the subsidy. It is possible that some schools will no longer buy the service. This could have a consequential impact on staffing levels within the music service in the form of compulsory redundancies. The Director is seeking WG agreement to release a proportion of the £2m identified in the WG Budget to support local authority music services. Should funding from WG be released it should be noted	161	100%	80	81	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
				that it is unlikely to be sustained beyond financial year 20/21						
ELLL903	ES&C	Cleaning service	Chris Millis	The current budget shortfall for the cleaning service to schools is £127k. It is proposed to increase the cost of the service to schools to generate an additional £50k. If schools decide to purchase a cleaning service elsewhere, outside of the local authority, it could have an impact on staff levels which could lead to compulsory redundancies. This proposal is also a further pressure on school budgets which again could result in compulsory redundancies.	50	100%	50	0	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ELLL904	ES&C	Croeserw Community Centre	Chris Millis	Croeserw Community Centre is the only community centre the local authority wholly manages as all others have been transferred to their respective community organisations or individuals. This strategy in the main has worked well. It is proposed to engage with any interested parties who wish to take on the operation of the centre as happened with all other community centres and seek transfer over 2 years. Should it not be possible to transfer to a community organisation the facility could close.	90	100%	45	45	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ELLL905	ES&C	Welsh Translation	Chris Millis	The budget for the service is £92k. It is proposed to increase the cost of translation services to customers within the local authority and those outside to generate sufficient additional income to reduce the subsidy over time. The increased charges will put a pressure on other Council departments.	92	100%	30	30	32	0
ELLL906	ES&C	Education Learning Resource Service	Andrew Thomas	Increased income target to be achieved by reviewing the fees and charges for services currently provided and to pursue new customers. Increased charges could result in schools stopping using the services of ELRS which could result in compulsory redundancies or even the complete service becoming financially unviable.	-15	67%	10	0	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ELLL907	ES&C	Special Education Service - Out of County placement savings	Andrew Thomas	The directorate has been pursuing a strategy of developing specialist provisions within county to prevent hugely expensive out of county placements over many years. This proposal is a continuation of that strategy whilst recognising there is a degree of risk associated with it as more and more children present with high levels of complex needs and therefore require placement in very specialist provisions out of county. These costs have been reducing significantly over the past years and Members have agreed proposals put forward by the directorate in recent times to establish additional specialist provisions such as the ones at Crynallt Primary School, Coedffranc Primary School and Cen Saeson Secondary School.	1,059	5%	58	0	0	0
ELLL908	ES&C	School uniform grant	Chris Millis	WG have recently confirmed funding to replace the former "school uniform grant" in the form of the PDG Access Grant, so this provision now will be funded wholly by WG grant	35	100%	35	0	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ELLL909	ES&C	SEN post 16 transport saving	Chris Millis	This is a non-statutory service. The budget is £228k and is projected to overspend in-year (2018-19) by £ 73k. For all other students Neath Port Talbot College are responsible for transporting pupils who are registered pupils of the College. It is proposed to cut this budget with effect from September 2020 and discuss with the college their funding arrangements. This proposal will require full consultation and Integrated Impact Assessment.	228	100%	0	228	0	0
ELLL910	ES&C	SSIP Budget Reduction	Andrew Thomas	More 21st Century, Band B business cases, which are a requirement of WG to draw down capital funding, have been completed in the current financial year than was anticipated, which means there are fewer to complete in 2019/20.	468	9%	40	0	0	0
ELLL911	ES&C	Vacancy management	Andrew Thomas/ Chris Millis	This proposal involves not replacing posts when staff either retire or secure employment outside of the Council and/or delaying filling vacancies.	0	0%	50	0	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ELLL912	ES&C	Library service reduction	Andrew Thomas	Phased transfer into community operation or closure of the following libraries - Baglan, Cwmafan, Glynneath and Skewen based on low numbers of media issues (less than 40,000 per annum / 10,000 per quarter over the past 3 years). Vehicle contract savings will also be made upon expiry of mobile library leases in October 2018 and November 2019. Undertake a review of all library services in order to rationalise services and consider alternative delivery models.	1,613	14%	75	80	80	0
ELLL913	ES&C	Youth service 5% reduction	Chris Millis	The service has been subjected to cuts over successive years. This further cut may mean some current services, including youth club provision, will have to reduce or stop.	492	4%	20	0	0	0
ELLL914	ES&C	Grant management	Andrew Thomas/ Chris Millis	To fund legitimate core costs from specific grants but at all times adhere to the grant conditions.	0	0%	60	0	0	0

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Ref	Board	Description	Lead	Main Impacts	Budget 2018/19	% saving	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ELLL915	ES&C	Schools delegated budget	Andrew Thomas/ Chris Millis	It is proposed to increase the schools delegated budget by £2.2m but due to increased pressures and pay awards this is not sufficient. This is a real terms cut for schools of circa 2%. This cut will have an impact on staffing levels in schools and will be felt most significantly in those schools that are in a deficit budget situation. This cut will result in a significant number of redundancies in schools and/or a reduction in number of contracted hours for some staff. It is highly likely the cuts will impact on standards in our schools overtime.	81,708	2%	1,802	0	0	0
ELLL916	ES&C	Savings arising from the cessation of the Print Commissioning function	Andrew Thomas/ Chris Millis	Directorates will commission printing services direct from suppliers, and therefore no longer incur the cost of the overhead from the unit	0	0%	7	0	0	0