

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

EDUCATION SKILLS AND WELLBEING CABINET BOARD

25th January 2023

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

MR A.D.THOMAS

Matter for Information.

Wards Affected: All wards

INSOURCING OF LEISURE SERVICES

1. Purpose of Report.

To update members on the revised timeline for the insourcing of indoor leisure services.

2. Executive Summary.

At the meeting of the Cabinet on the 1st February 2022, the then Cabinet took the decision to return the provision of indoor leisure services back into the Council.

At the meeting of the Cabinet on the 28th July 2022, Cabinet resolved that Members note the approach to the delivery of the insourcing by the 1st April 2023 and that the Director of Education, Leisure and Lifelong Learning in consultation with the Leader and the relevant Cabinet Member be granted delegated authority to make initial decisions required to present a full business case to Cabinet/Cabinet Board in October/November 2022 to achieve the delivery of the insourcing of leisure services by the 1st April 2023 (providing that such delegation shall not be utilised where there is a proposed change in service delivery and or significant cost to service delivery), and that future reports be brought to the Education, Skills and Wellbeing Cabinet Board.

The Council remains committed to bringing the services back under the Council's direct management. However, the economic climate has changed materially since the Cabinet made the decision to in-source the service and the purpose of

the report is to update members that officers are now working to a transfer of the service by no later than the 31st March 2024.

The purpose of this report is to update members of the target date that officers are now working to facilitate the transfer.

3. Background.

At the meeting of the Cabinet on the 1st February 2022, the then Cabinet took the decision to return the provision of indoor leisure services back into the Council.

At the meeting of the Cabinet on the 28th July 2022, Cabinet resolved that Members note the approach to the delivery of the insourcing by the 1st April 2023 and that the Director of Education, Leisure and Lifelong Learning in consultation with the Leader and the relevant Cabinet Member be granted delegated authority to make initial decisions required to present a full business case to Cabinet/Cabinet Board in October/November 2022 to achieve the delivery of the insourcing of leisure services by the 1st April 2023 (providing that such delegation shall not be utilised where there is a proposed change in service delivery and or significant cost to service delivery), and that future reports be brought to the Education, Skills and Wellbeing Cabinet Board.

However, the economic climate has changed materially since the Cabinet made the decision to in-source the service in February 2022.

The Council remains committed to bringing the services back under the Council's direct management, and although working to the target date of 1st April 2023 that officers had identified, the current financial climate highlights that such a date is no longer capable of being met.

Work has been ongoing to develop a funding package that would enable indoor leisure services to remain open in 2023-24 and which would also protect jobs in Celtic Leisure. The strategy we have been able to develop achieves this but means that there will be a resultant delay in completing the transfer of the service back under the Council's direct management. Officers now expect to complete the transfer towards the end of the next financial year and certainly no later than 31st March 2024.

In the next 12 months the Council will be intensifying our involvement in the operations of the organisation so that we can identify all new income streams

and all opportunities for making operational efficiencies. This is key to ensuring we build a sustainable business plan for the service beyond 31st March 2024.

Officers have discussed the matters with Trade Union Colleagues and advised them of this proposed new date. Trade Unions have facilitated a number of staff meeting with Celtic staff to reassure them that the transfer is not being cancelled but delayed.

Officers have also discussed the matter with Celtic Leisure who have confirmed that despite them working towards a voluntary winding up process by the end of March 2023, they are in a position to continue service provision with no reduction to the service. Celtic Leisure will retain the benefit of the indemnity afforded to them by the Council pursuant to the report to the then Cabinet in 2021.

4. Financial Impact

The latest report to the Education, Skills and Wellbeing Cabinet Board in November 2022 detailed the fact that the cost of running indoor leisure services 'in-house' had increased to an estimated additional c£4m per annum. This additional cost cannot be met in one year without impacting on service delivery.

The full year effect of continuing to operate indoor leisure services in 2023/24 via Celtic Leisure would mean that the company is still able to qualify for business rates relief and would continue to pay the company's pension (LGPS) contribution rate. The total of these two equates to a saving of c£1m per annum compared to the c£4m described above so an additional cost to the Council during 2023/24 of c£3m. This additional cost has been included in the Council's draft revenue budget proposals.

5. Integrated Impact Assessment

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage assessment has indicated that a more in-depth assessment is not required. This is attached at Appendix 1.

6. Valleys Communities Impacts:

There is no direct overall impact on any valley community as a result of this proposal over and above any other potential impacts that might be impacted on, for the following reasons:

- a. There would be no reduction in the facilities currently available.
- b. Rates of discount to concession users as currently offered will remain along with the Council's concessionary scheme for specific groups and individuals (Passport to Leisure Scheme).
- c. The Facilities shall be accessible by the full community during opening hours set by the Council.
- d. A wide-ranging and diverse programme of activities, targeted at encouraging greater levels of community participation across all relevant local social and cultural groups will continue.

7. Workforce Impact

At this stage there are no direct impacts on Council staff. However, there would clearly be workforce impacts on Celtic Leisure staff who will remain employees of Celtic Leisure until the transfer takes place. They remain on their current terms and conditions and these will not be impacted as a result of transfer taking place in by the end of March 2024.

8. Legal Impacts

At all stages of the transfer appropriate legal advice will be provided.

9. Risk Management

Failure to ensure the sustainability of Indoor Leisure Services, will affect the provision of leisure services in the Neath Port Talbot locality. In the next 12 months the Council will be intensifying our involvement in the operations of the organisation so that the Council can identify all new income streams and all opportunities for making operational efficiencies. There is no change to the decision to insource the service but allowing these efficiencies will ensure the Council is able to build a sustainable model of operation for the Council.

10. Consultation

There is no requirement for external consultation on this report. Discussions however have been had with Trade Union colleagues and Celtic Leisure. The Chief Executive has provide a letter to the trade union to clarify the reason for the delay. The Council will work with Celtic Leisure to ensure that all staff members within Celtic Leisure are kept updated on arrangements and the Council has sought to liaise with Celtic Leisure at all times to address any particular concerns raised, though to date these has been limited.

11. Recommendations

That members note that officers are now working to a transfer of the service in-house to the Council by no later than the 31st March 2024 and reports will be brought back to members throughout 2023/2024 to advise members of next steps in the insourcing.

12. Reasons for Proposed Decision

This report is for information only

13. Implementation of Decision

This report is for information only.

14. Appendices

Appendix 1 – Integrated Impact Screening Assessment

15. List of Background Papers

Cabinet Report of 1st February 2022

Cabinet Report of 28th July 2022

16. Officer Contact

Andrew Thomas

Director of Education, Leisure, Life Long Learning

Tel: 01639 763314

Email: a.d.thomas@npt.gov.uk

Paul Walker

Operations Coordinator Education, Leisure, Life Long Learning.

Tel: 07899923478

Email: p.walker@npt.gov.uk