



Commissioning Review Report Stage 5 Residential and Outdoor Centres

CONTENTS

1	PURPOSE AND SUMMARY
2	BACKGROUND TO THE REVIEW & SCOPE
3	REVIEW FINDINGS
4	ALTERNATIVE MODELS
5	PREFERRED SERVICE MODEL
6	NON FINANCIAL BENEFITS
7	RISKS
8	LEGAL IMPLICATIONS
9	FINANCIAL IMPLICATIONS
10	HR IMPLICATIONS
11	IMPLEMENTATION
12	EQUALITY AND ENGAGEMENT IMPLICATIONS

1.0 Purpose & Summary

1.1 This report:

- *Summarises the outcomes from the Commissioning Review for Residential and Outdoor Centres*
- *Provides evidence that the Review has completed all relevant tasks as part of the commissioning process*
- *Sets out the recommendations from the Review for approval by Cabinet.*

1.2 Supporting this paper are Gateway Reports addressing the specific requirements of Stages 1 & 2 and Stages 3 & 4 of the Commissioning Review Process which followed the correct decision making route during the review.

2.0 Background to the Residential and Outdoor Centres Review of Scope

2.1 The Residential and Outdoor Centres Service is currently delivered from the 3 sites; Borfa House in Port Eynon, Danycoed House in West Cross, and Rhossili Centre in Rhossili Bay. They are owned by the local authority and operated as educational residential centres for over 30 years.

2.2 Budget saving targets of £148K have been allocated to the service, spread over a three year period, starting in 14/15. Historically all of the centres run at a loss, therefore a review was needed to establish a clear core purpose for the Centres and achieve a balanced budget.

2.3 Numerous cost saving steps have been initiated to date which include;

- A pricing review which increased charges for both full paying and free school meal subsidies pupils in line with inflation
- The removal of school to centre transport
- Transport efficiencies and savings
- Efficiencies within hospitality and activity staffing.

2.4 Despite the implementation of these initiatives, financial modelling demonstrates that the required savings will not be met. In order for the savings target to be met and to continue to aim for a future cost recovery model, it is imperative that other more radical options are sought.

2.5 The service outcomes were most strongly seen as contributing to Corporate Plan priorities of:

- Improving pupil attainment
- Tackling poverty
- Creating a vibrant City economy (as a destination).

- 2.6 Stakeholder analysis clearly outlined the benefit of these Centres as providing educational opportunities to vulnerable children, young people and families at a subsidised rate where appropriate for those who may not get the opportunities to participation in such experiences.

3.0 Review Findings

- 3.1 The agreed core purpose of the Residential and Outdoor Activity Centres in Swansea is:

“To provide educational outdoor activity opportunities for children, young people, families & schools on the Gower in a Sustainable way.”

- 3.2 Based on the research and evidence gained as we have proceeded through the stages of the commissioning review and looked at options to re-design and deliver in house. A new delivery model matrix has been completed and scored based on the following criteria;

- Outcomes
- Fit with priorities
- Financial impact
- Sustainability and viability
- Deliverability.

4.0 Alternative Models

- 4.1 The 4 Options looked evaluated were;

- Option 1 – ‘As is’ Model (do nothing)
- Option 2 - Transform in house with phased implementation of staff restructure, closure of 1 site, potential alternative model of delivery.
- Option 3 - Option 3 - Transform in house with a staff restructure maintaining running of 3 centres
- Option 4 - Stop service and close all 3 centres.

5.0 Preferred Model - Transformed in-house

- 5.1 Following an option appraisal, option 2 was the preferred Option based on the criteria set which outlined a new model of delivery to;

- Transform in house with phased implementation of staff restructure, closure of 1 site, Danycoed due to the backlog of maintenance issues, in July 2016 with a view to seek an alternative operating model in the future
- Appoint a centre manager to have overall control of the centres and to drive forward change and review the vision and strategic business plan
- By implementing this option it will allow the continuation of a sustainable way of providing opportunities for Children, Young People, Families and Schools on the Gower and maintaining our relationships and offer to Schools through the two remaining sites.

6.0 Non-Financial Benefits

6.1 Outlined below are some of the non-financial benefits which will add value to the provision;

- Continue to provide an historical reputational service to Swansea schools and vulnerable groups of children, young people and families
- Budgets will be balanced and budget savings targets achieved
- Overarching Manager to drive change forward
- Staff restructure and appropriate contracts in place
- Commercial opportunities explored within the new model
- Sale and capital receipt for the Asset sale
- Address the maintenance backlog issues.

7.0 Risks

7.1 Outlined below are potential risks to the implementation of this new model of delivery;

- **Capacity:** insufficient resources to implement change (appointment of new Manager)
- **Capability:** lack of skills and knowledge to implement change
- **Systems:** fail to invest in systems and technology new booking system
- **Processes:** fail to stop or change processes
- **Savings:** don't deliver savings in total or on time
- **Resistance:** new model is not supported in the Council or Public
- **Engagement:** fail to engage with Staff and Public may cause reputational damage (2 Centres will remain after the service changes) there is also a risk to adverse publicity if one or more of the centres closed.

8.0 Legal Implications

8.1 There are covenants in place at both Borfa House and Rhossili Centre restricting commercial activity. Both centres must fulfil their core purpose, which is for Educational Outdoor Pursuits. At Borfa there is a specific covenant to prevent the property being used as a guest house or hotel.

8.2 There is a further covenant on both Borfa and Rhossili to 'not cause nuisance or annoyance'. Such covenants have been held to be far reaching and can be used to prevent extensions, noise, increased volume of traffic etc. Essentially anything that could be considered as such.

8.3 There are no restrictions or covenants in place at Danycoed House.

9.0 Financial Implications

- 9.1 The core budget available in 15/16 is to run all the Centres is only £154K. As part of the review we have looked at a building a budget from a zero base to establish the running costs of each centre, the cost of staffing and how much income would need to be generated to achieve a balanced budget.
- 9.2 From the new model of delivery and the financial summary appraisal it is clear to see that Option 2, transform in house with phased implementation of staff restructure, closure of 1 site, potential alternative model of delivery is the most financially viable.

Year	Base Budget (Core)	+/- Staff Costs	+/- NNDR Costs	+/- Other Costs	Estimated Future Annual Income	Estimated Future Annual Net Operating Cost	Any Estimated Capital Receipt?	Possible further annual savings
2016/17	£ 154,000	£ 266,507	£ 37,935	£ 126,069	£ 292,905	£ 16,394	No	No
2017/18	£ 154,000	£ 205,361	£ 12,879	£ 102,417	£ 195,816	£ 29,159	Yes	No

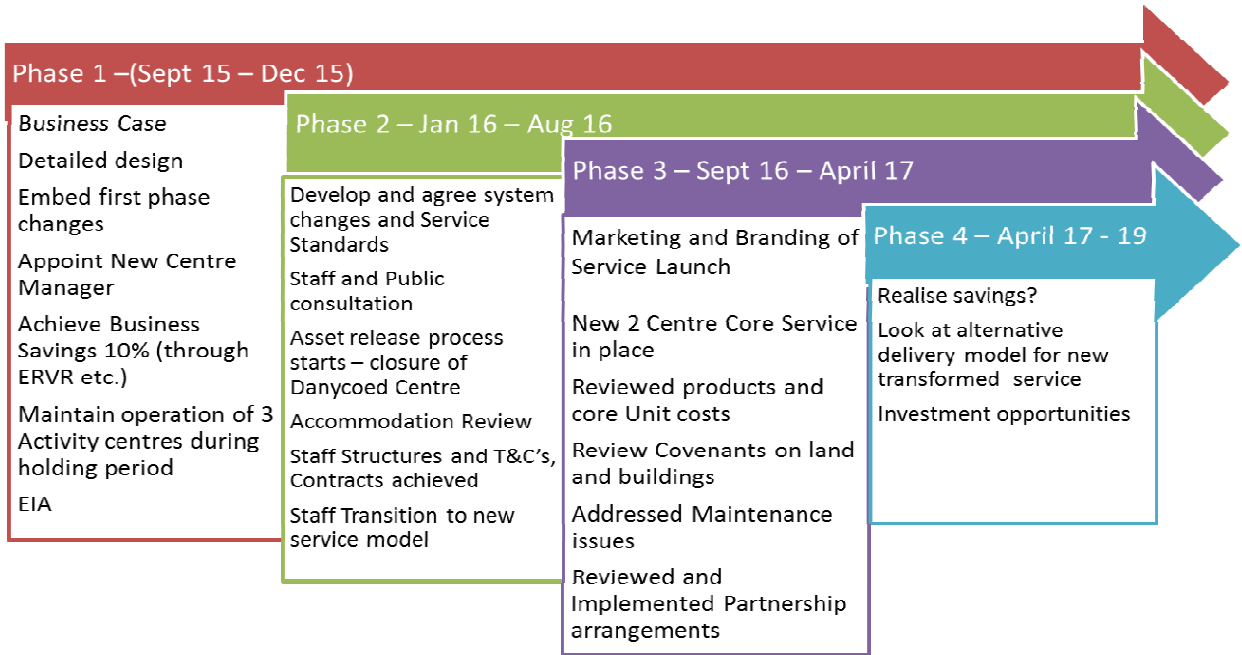
10.0 HR Implications

- 10.1 Because of the financial targets that need to be met, there will be reductions in posts, but this will be built into the redesign to mitigate staffing reductions.
- 10.2 In relation to the preferred option of In House Transformation and in order to achieve a balanced budget in year and employ an overarching manager to drive change forward a staffing restructure is required:
- This will involve changing terms and conditions for some of the posts required to seasonal contracts to align with peak booking times.
 - All job descriptions will need to be reviewed and re-written and passed through job evaluation.
 - Consultation with staff and unions will need to take place and the HR procedure followed to ensure all staff have a clear overview of a new staffing structure and have an understanding of the slotting and match process
 - ER/VR opportunities will need to be explored.

10.3 Under the preferred option, consultation with staff and Trade Unions will need to take place and HR procedures followed, to ensure that all staff have the opportunity to comment on the new service model and structure.

11.0 Implementation

11.1 High-Level Plan



12.0 Equality and Engagement Implications

12.1 The Review will seek to engage with stakeholders and users within the implementation timeline.

12.2 An EIA screening form has been completed which outlined that a full report was needed. This has been drafted and will be progressed in line with the implementation plan.

Background Papers: