

Report of the Section 151 Officer

Special Cabinet – 15 February 2015

REVENUE BUDGET 2016/17

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|------------------------------------|---|
| Purpose: | This report sets out the current position with regard to the Revenue Budget for 2016/17 for consideration by Cabinet. |
| Policy framework: | Sustainable Swansea – Fit for the Future |
| Reason for decision: | To agree a Revenue Budget and Council Tax levy for 2016/17 to be recommended to Council for approval. |
| Consultation: | Cabinet Members & Executive Board |
| Recommendations: | <ol style="list-style-type: none">1) That Cabinet considers the outcome of the formal consultation exercise, and agrees any changes to the Budget Proposals in Appendix D, together with the position regarding delegated budgets as set out in section 4.10 of this report.2) That Cabinet note the current Resource Gap identified in Section 4.5 of this report and, in line with the potential actions identified in Sections 9 and 10 of this report, agree a course of action to achieve a balanced Revenue Budget for 2016/17. In addition to a review of current savings proposals Cabinet will need to:-<ul style="list-style-type: none">- Review and Approve the Reserve transfers recommended in this report- Agree a level of Council Tax for 2016/17 to be recommended to Council3) That, subject to these changes, Cabinet recommends to Council for approval:<ol style="list-style-type: none">a) A Revenue Budget for 2016/17;b) A Budget Requirement and Council Tax levy for 2016/17. |
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1 Introduction and background

1.1 This report details:

- Financial monitoring 2015/16
- The Local Government Finance Settlement 2016/17
- Budget Forecast 2016/17
- Specific Savings Proposals
- Outcome of Budget Consultation
- Staffing Implications
- Reserves and Contingency Fund requirements
- The Budget Requirement and Council Tax 2016/17
- Summary of funding proposals
- Risks and uncertainties

1.2 The financial assessment in relation to 2017/18 – 2019/20 is contained in the **Medium Term Financial Plan 2017/18 – 2019/20** report elsewhere on the agenda.

1.3 This report builds upon and needs to be read in conjunction with -

- The budget strategy agreed by Council on 22nd October 2013 – **'Sustainable Swansea, Fit for the Future'** focusing on the principles and strategies to be adopted as part of the current and future budget process.
- The report to Cabinet on 29th July 2014 – **'Sustainable Swansea – Fit for the Future : Delivery Programme'** which agreed the specific objectives of the programme and set out an outline programme for delivery.
- The update report on Sustainable Swansea – Fit for the Future as approved by Cabinet on 16th July 2015.
- The report to Cabinet on 10th December 2015 – **Sustainable Swansea – Fit for the Future : Budget Proposals 2016/17 – 2018/19** setting out the Council's proposals for budget consultation.

1.4 The report sets out the outcome of the budget consultation and invites Cabinet to consider the comments received from residents, community groups, partners, employees, School Budget Forum, Joint Phase Head Teachers, Trade Unions and others. Cabinet are asked to consider any changes to the draft Budget proposals and proposed Council Tax level, prior to recommending the budget to Council. The report also includes an Equality Impact Assessment statement so that Cabinet can be aware of the key issues before finalising budget proposals.

2. Financial Monitoring 2015/16

- 2.1 Cabinet will have considered a report on the estimated Revenue Outturn for 2015/16 as a prior item on this agenda.
- 2.2 Current 3rd quarter financial monitoring highlights an improving picture for the Council overall but, as is the case in quarter 2, there is substantial variation in performance across Directorates.
- 2.3 There are also variations on budgets which are corporate in nature and not linked to direct service provision.
- 2.4 It is projected that the Council will outturn at a position that reflects a substantially improved position from the £5m forecast overspend at quarter 2. Current estimates are that the overspend is likely to be limited to around £2m as an upper figure.
- 2.5 2015/16 has seen significant progress in settling all matters relating to equal pay claims and backpay following the Council's introduction of an equal pay compliant pay and grading structure from April 2014. The settling of liabilities in respect of these items has continued throughout 2015/16.
- 2.6 Settling these claims removes a substantial and open ended risk in respect of the Council's ability to manage its financial affairs going forward. Current forecasts show that costs relating to claims and back-pay can be contained within current resources but there remains a risk in that the final cost will not be known until all payments are processed.

3. The Local Government Finance Settlement 2016/17

- 3.1 The Minister for Local Government & Government Business announced the Provisional Revenue and Capital Settlement for 2016/17 on 9th December 2015.
- 3.2 The provisional Revenue Settlement for 2016/17 differed substantially from all previous planning assumptions made by the Council including assumptions made in the report to Cabinet on 10th December 2015 agreeing budget proposals for consultation purposes. Changes are as follows:-

| | <u>£'000</u> |
|--|---------------------|
| Forecast reduction in Welsh Government support 2016/17 per Cabinet report 10 th December 2015 | -14,000 |
| Headline reduction per provisional settlement | -2,771 |

Note the actual cash to cash movement (not on a like for like basis) is an increase of £120k offset by transfers from specific grant to block grant (£2,342k).

3.3 The result is a significant improvement on forecast Aggregate External Finance of some headline £11.2m. However, since the settlement announcement notification has been received of considerable reductions in several specific grants to the Council. The overall outcome on specific grants will not be known for some time and as such the overall funding picture may not reflect the improvement evident on the settlement alone.

3.4 Implicit in the provisional settlement is assumed protection on respect of both Schools' and Social Services funding.

In respect of Schools, the proposed protection is set at a level of 1% above increase in overall Welsh block grant, a potential increase of 1.85% or £2.498m. In addition, demographic increases in overall school pupil numbers is expected to add a potential £0.7m to school's delegated budgets if the funding per pupil were to remain at 2015/16 levels.

3.5 In respect of Social Services, protection is not specified in terms of value and it is anticipated that funding in terms of known service pressures identified in Section 4 of this report will satisfy any funding guarantee.

3.6 The final Revenue and Capital Settlement for 2016/17 is expected on 2nd March 2016, with final confirmation expected on 9th March 2016.

3.7 Given the overarching requirement for the Council to formally set Council Tax levels for 2016/17 by 10th March 2016, the timetable for onward approval of the 2016/17 Revenue budget is as follows:-

- Council to receive and approve the Draft Revenue Budget for 2016/17 on 25th February 2016.

- Council to receive and approve the Statutory Resolution on Council tax at a Special Meeting on 10th March 2016.

3.8 **It must be made clear that this significant reduction in the cut to Aggregate External Finance does not mean the Council has additional resources to allocate for 2016/17.** As detailed in Section 4 below, it can be seen that the Council still faces significant budget pressures in setting a balanced Revenue Budget for 2016/17 although the overall savings requirement is less than forecast in December.

3.9 In revising the Medium Term Financial Plan and setting the Budget for 2016/17, it is essential that the Council adheres to and continues to implement the objectives in *Sustainable Swansea – fit for the future*. The Council has made clear through *Sustainable Swansea* that the need to transform services, reduce or divert demand through prevention and to look for alternative models of delivery, including community action, is required for our future sustainability and to improve outcomes for residents.

3.10 **The financial pressures and level of risk that we face and will continue to face make the need to implement these changes more urgent. The lower**

than expected cut in AEF should be seen as an opportunity to increase investment in the Council's priorities and preventative action in particular, not to slow down the pace of change or the level of required savings.

4. Budget Forecast 2016/17

Overview

- 4.1 The budget proposals for 2016/17 as submitted for consultation on 10th December 2015, resulted in a projected funding deficit of £35.850m. The funding deficit was made up of projected funding pressures of £21.850m together with a projected reduction on Welsh Government Aggregate External Finance of £14.0m as set out in Section 3.2 above.
- 4.2 The announcement of the interim settlement, together with an improved view on the financial position with regards to 2015/16 outturn, means that the overall funding deficit forecast for 2016/17 will inevitably have changed substantially.
- 4.3 In addition, the opportunity has arisen to review all aspects of the budget pressures and risks so far identified with a view to updating the forecast using the latest up to date assumptions.
- 4.4 The options for funding the deficit that is identified remain as:
- Savings on current service net expenditure (through a combination of expenditure reduction and additional income generation)
 - Increases in Council Tax levels
 - Potential reductions in contributions to the Contingency Fund
 - Use of Reserves and Balances

Forecast funding shortfall 2016/17

- 4.5 The revised shortfall in funding previously identified in 4.1 above can now be updated and summarised in Table 1(a) below:-

Table 1(a) – Projected funding shortfall 2016/17

| | 2016/17 |
|---|----------------|
| | £'000 |
| Future cost of pay awards | 1,700 |
| Pay and grading scheme | 2,700 |
| National Living Wage – contract inflation | 2,000 |
| Cumulative contract inflation | 1,000 |
| Capital charges | 750 |
| National Insurance rebate | 3,500 |
| Use of General Reserves | 1,200 |
| Demographic and Service pressures | 2,000 |
| Council Tax Support Scheme | 600 |
| Schools funding guarantee | 3,200 |
| Fire Authority Levy | 120 |
| Total known pressures | 18,770 |
| Estimated reduction in core Welsh Government Funding CASH | 2,222 |
| Total Savings Requirement | 20,992 |

- 4.6 The reasons for the decrease in the overall savings target since Cabinet in December are detailed in Table 1(b) below:

Table 1b – Movement in projected funding shortfall

| | 2016/17 |
|--|----------------|
| | £'000 |
| Target per Cabinet Report 10 December 2015 | 35,850 |
| Decrease in reduction in core Welsh Government funding IN CASH | -11,778 |
| Removal of pressures specifically relating to Schools delegated Budgets | -4,400 |
| Compliance with Ministerial funding guarantee for Schools together with increased pupil numbers | 3,200 |
| Lower increase in capital charges following updated assessment of likely rise in interest rates and hence need for debt re-financing | -1,000 |
| Estimated costs relating to demographic changes | -1,000 |
| Projected increase in Fire Authority Levy | 120 |
| Cumulative revised target | 20,992 |

Inflation

- 4.7 The 2015/16 revenue Budget did not provide for any Corporate provision for inflation.

Given current UK inflationary levels and forecasts there is no case to be made for re-instating a corporate (General) provision for inflation in 2016/17 and, as such, no provision has been included within the draft budget proposals for 2016/17. It is the case, however, that the Council is likely to experience cost pressures in specific areas of contracted out service delivery as detailed in Table 2 below

Table 2 – Potential Service inflationary and cost pressures:

| | £'000 |
|--|--------------|
| Increased contract costs due to rise in National Minimum Wage levels | 2,000 |
| Contract inflation on residential and Domiciliary care costs | 1,000 |

In the November 2015 Autumn Statement, the Chancellor announced significant increases in the National Minimum wage to be introduced over the next three financial years. Whilst this is unlikely to affect direct employee costs incurred by this Council during 2016/17, it is highly probable that this will impact directly on wage costs of external contractors particularly in respect of contracted services within Social Services. To this extent a sum of £2m has been set aside within the budget proposals in order to meet these potential costs.

Irrespective of increases in minimum wage, there is likely to be pressure from contracted areas in both Social Services and Transport Services for elements of cost increases.

In the 2015 Autumn Statement, the Chancellor announced proposals to limit pay awards within the public sector to a level of 1% for 2016/17. This increase has been built into revenue budget proposals.

As in previous years, and as detailed below, it is assumed that any provision for increases in School pay budgets will be met directly from Schools' delegated budgets.

Schools Protection

- 4.8 It remains the case that the forward financial plans for the Council will continue to show year on year savings requirements which are likely to be significant and sustained.

Given the scale of savings required, it is inevitable that it will be impossible to exempt schools' budgets from cuts.

4.9 Reductions can be viewed in two ways:

- Actual cash reductions in levels of funding provided to Schools
- Real terms reduction in Schools funding, taking into account known spending needs

4.10 For 2016/17 it is intended to both meet the Ministerial funding commitment to Schools as outlined in para 3.4 above, together with providing funding for additional pupil numbers that are forecast for the year.

The net result of these proposals is an increase in the cash settlement to Schools of some £3.2m for 2016/17. In addition, the headline increase across Wales in respect of Pupil Deprivation Grant is 7.45% which, if applied uniformly, would result in an increase to Swansea Schools of £429,000

4.11 Table 3 below sets out the effective impact of the core funding increase as against expected funding pressures for Schools.

Table 3 –Reductions on Schools delegated budgets

| Item | £'000 |
|---|----------------|
| <i>Cash position</i> | |
| Net core delegated base budget 2015/16 | 123,484 |
| | |
| Ministerial funding guarantee/additional pupil numbers | 3,200 |
| Core delegated base budget 2016/17 | 126,684 |
| <i>Pressures</i> | |
| Anticipated cost of pay award for school based staff | 1,200 |
| Increased cost of employer pension contributions to Teachers Pensions | 700 |
| Increased employers NI contributions re School based staff | 2,500 |
| Total pressures | 4,400 |
| Potential increase in Pupil Deprivation Grant | 429 |
| Net overall real terms reduction | -771 |
| (-0.62%) | |

i.e. The above cash increase assumes that Schools will meet the additional costs of teachers pay awards, pension costs and NI increases for 2016/17 (£4.4m).

The real terms reduction in core delegated budget would therefore be 0.62%.

It remains the case, however, that substantial elements of Schools Funding (c£12m) are now being delivered via specific Grant (Pupil Deprivation Grant and Education Improvement Grant) which results in a substantial annual risk to overall School's funding which is not in the control of this Council.

Social Care protection

- 4.12 The Welsh Government overall Revenue Settlement for 2016/17 included a notional all-Wales allocation of £10m to fund further pressures in Social care. Consultation is taking place as to whether this sum is available to Local Authorities or is ringfenced to Health and is to be allocated at a regional level.

Capital Financing Charges

- 4.13 There is an increase of £750,000 compared to the 2015/16 approved budget reflecting the potential requirement to externalise elements of borrowing during 2016/17 dependent on expected movements in PWLB borrowing rates.

As at 1st April 2015, and to date, a significant element of the Capital Financing requirement has been met by the allocation of internal funds (Internal borrowing). This is highly dependent on cash-flows of the Council and it is anticipated that, during 2016/17, there may be a need to externally borrow to replace elements of current internal borrowing.

Whether or not that need arises, I am mindful that we continue to enjoy historically low rates of interest on PWLB borrowing, and that a decision may be required to externalise elements of current internal borrowing should there be a predicted and marked increase in forecast PWLB rates in order to best serve the Councils interests in the medium to long term.

Fire Authority Levy

- 4.14 Since the 10 December 2015 Cabinet report we have been notified of an increase in the Fire Authority Levy of £0.12m (0.99%), including changes expected due to population changes across levied Authorities.

Pay & Grading Settlement and the Living Wage

- 4.15 A single pay and grading structure was introduced across the Authority with effect from 1st April 2014.

The introduction of a single pay and grading scheme is a positive achievement and in future years will add certainty to pay estimates. The Council has made considerable progress in terms of completing the Appeals

process arising out of implementation and in making payments of back pay to those who gained under the new scheme and/or were successful in the appeals process.

The current budget proposals do not set aside any additional sum in respect of pay and grading based on the progress that the Council is making to settle all outstanding liabilities by 31st March 2016.

In line with previous reports, the budget proposals for 2016/17 allow for increased employee costs of some £2.7m for 2016/17 in relation to incremental progression for those staff who were assimilated to the bottom of their pay scale on implementation of the pay and grading scheme.

Council Tax Reduction Scheme

- 4.16 The Authority received a baseline adjustment to its Revenue Support Grant allocation of £18.883m for 2014/15 which has been notionally included as part of future grant settlements. The effect of this base grant allocation is that any future increases in Council tax levels would have to be discounted by any potential increases in Council Tax Support costs. Where appropriate the yield will also have to take account of any increase in Council Tax Support Costs arising from increases in the Council Tax applied by the South Wales Police Commissioner.

The effects of funding additional Council tax support have been taken into account when calculating the funding in respect of the overall budget shortfall highlighted in table 1(a) in section 4.5 of this report in the sum of £0.6m..

5. Specific Savings Proposals: Update

- 5.1 In determining its budget proposals, the Authority has embarked on a specific long term strategy – ‘*Sustainable Swansea – Fit for the Future*’ - as a means of setting Council priorities, transforming services and addressing current and future deficits.

Details of that strategy, including the budget principles that the Authority has adopted together with a description of the key elements that underpin the service savings proposals, was presented and approved by Council on 22 October 2013 and subsequently reviewed by Cabinet on 16th July 2015.

- 5.2 The strategy as adopted underpinned the decision taken at the Council's Cabinet on 10th December 2015 to recommend specific additional savings proposals totaling £10.221m in 2016/17 for consultation. Cabinet now needs to consider whether or not to make any changes to these proposals in light of the outcome of the consultation.
- 5.3 The overall savings proposals, including Service savings recommended in respect of 2016/17, total some £17.869m as detailed below. These savings include the previously agreed service reductions, changes to the level of schools delegated budgets as detailed in Section 4.10 above and *Sustainable*

Swansea workstream savings proposals totaling some net £7.419m which will require further action during 2016/17.

Table 4 – Summary of Savings proposals (as at 10 December 2015)

| Savings | Savings £'000 |
|--|--------------------------|
| Service Savings as submitted for budget consultation | 10,221 |
| Net reduction in previously funded 100 days money | 230 |
| Sustainable Swansea Additional Proposals* | 7,419 |
| Total | 17,870 |

* Represents the additional proposals required based on a planning assumption of a 3% rise in Council Tax as set out in the Council's Medium term Financial Plan approved by Council on 24th February 2015 **and explicitly recognising that approximately £7.5m of the £10m service specific savings already contribute** to those additional Sustainable Swansea proposals.

5.4 As with previous years, the Executive Board will ensure that the Sustainable Swansea workstream savings targets are allocated to specific Heads of Service and cost centres for delivery during the course of 2016/17. Key areas where this will be addressed include:

Currently allocated additional savings items explicitly built into the budget planning assumptions at a Directorate level as targets to achieve (subject to monitoring and review during the year):

- Staff Terms and Conditions review - £1m target – subject to Cabinet consideration/decision prior to implementation - target allocated in line with existing employee budgets.
- Senior Staff Review - £3m target across all services – programme led by Chief Executive - allocated pro rata to senior staff numbers in scope (excluding some certain types of posts) by directorate.
- Third Party Spend and Income £2.65m target – programme led by Head of Commercial Services - to be allocated across services from a mix of existing supplies, premises, third party spend and fees and charges budgets.

These are currently allocated (as planning targets) as follows:

Table 4(a) - Directorate Level Targets

| | Terms and Conditions £'000 | Senior Staff Review £'000 | 3 rd party/ income/ sponsorship £'000 | Total £'000 |
|------------------------|-------------------------------|------------------------------|---|----------------|
| Corporate Services | 150 | 750 | 100 | 1,000 |
| Poverty and Prevention | 50 | 150 | 50 | 250 |
| Social Services | 275 | 725 | 1,250 | 2,250 |
| Education | 150 | 325 | 100 | 575 |
| Place | 375 | 1,050 | 1,150 | 2,575 |
| | | | | |
| Total | 1,000 | 3,000 | 2,650 | 6,650 |

Currently unallocated additional savings items explicitly built into the budget planning assumptions – still to be allocated

- Lower Priority Services £2m target – review being undertaken collectively by all Heads of Service. Subject to further Cabinet consideration/decision on specific proposals and/or alternatives.

Additional Sustainable Swansea strands which remain part of planning assumptions but which are not specifically taken into account for setting a recommended budget

- Year 2 Commissioning Reviews £5m
- Asset Management £0.5m
- Community Asset Plans £0.25m
- ICT rationalisation £0.3m

5.5 Details around the currently assumed proposals for Council Tax levels are shown in section 9 of this report.

5.6 Details around use of the Council's Reserves, contingency and inflation provisions are shown in section 8 of this report.

6 Outcome of Budget Consultation Process

Budget consultation results

6.1 The annual budget consultation ran from 16th December until 24th January 2015. The consultation included a public survey available online and in hard-copy in council venues. Overall we received 771 responses to the survey (646 online). In addition we produced a video explaining the budget position which had 338 views online and we held three drop-in consultation sessions for the public. We also held a children and young people's event attended by 56 pupils. A full summary of consultation results can be found in Appendix E.

- 6.2 The EIA process has been running continually through the budget process. The EIA report is attached as Appendix F. Cabinet will be kept updated on any potential issues that may arise as part of the budget implementation process. We will continue to publish each EIA report as it reaches completion at: <http://www.swansea.gov.uk/eia>
- 6.3 Cabinet and Council will need to consider the response to consultation and the EIA report and demonstrate how we are taking account of the feedback. This is particularly the case, of course, if we are minded to proceed with any proposals where there is a significant majority of those responding opposed to this, being in mind that consultation feedback is just one of the factors that we need to consider when making difficult budget choices..

Main Results from the survey:

Potential changes and funding of services

- 6.4 When asked about the future of services, 59% of respondents said they would be prepared to pay more for some services rather than lose them, while 82% would prefer the council to deliver services in a different way rather than lose them. In terms of social care services, 38% would prefer to pay an additional cost rather than lose them.

Main areas of concern

- 6.5 There were a small number of proposals where there was less than 50% support from the public:
- 62% disagreed with additional charges for some social care services.
 - 53% disagreed with reducing gritting routes.
 - 56% disagreed with ceasing the abandoned vehicle service.

Proposals for cultural services

- 6.6 Overall there was support for the majority of the changes and approaches proposed in cultural services. The most supported proposals are listed below:
- 89% agree - develop programming and conferencing at the Brangwyn and Grand.
 - 88% agree - seek interest from a third party operator to run Plantasia.
 - 88% agree - conduct a comprehensive review to revise all events so that income or economic benefit will cover costs.
 - 86% agree - create a regional archive service, whilst also reviewing opening hours and income opportunities.
 - 79% agree - seek a non-profit partner to manage the Dylan Thomas exhibition.
 - 79% agree - seek an alternative operator for the Glynn Vivian.

Other Budget savings proposals

6.7 The majority of specific budget proposals were supported by respondents, the most supported proposals are listed below:

- 94% agree - reduce Swansea Leader to four a year and develop income opportunities.
- 83% agree - legal and planning costs for DFGs should come out of capital rather than revenue.
- 70% agree - developing e-payments etc, including replacing cashiers with machines
- 58% agree - end discretionary pensioner council tax reduction scheme.

In addition a petition with 115 signatures was received from Neath Antiquarian Society in relation to the proposal for the Archives service.

A detailed response from the Federation of Museums and Art Galleries of Wales was received raising issues with the proposals for Swansea Museum and Glynn Vivian Art Gallery.

Children and young people event: The Big Conversation

6.8 The Big Budget Conversation was the 3rd annual consultation with children and young people on the City and County of Swansea budget proposals. The event focused on three issues: *Sustainable Swansea: Fit for the Future*; remodelling youth club provision and education. Participants were encouraged to think about the council budget as a whole and some of the challenges in making savings. The outcomes of the Big Conversation can be found within summary of consultation results

Schools Budget Forum

6.9 The views of the Schools Budget Forum have been received and need to be taken into account by Cabinet and Council before the budget is finalised. See letter at Appendix G.

6.10 Finally, Cabinet is asked to note that, as part of the budget consultation process:

- A full account of the consultation responses will be placed on the Council's website
- The detailed consultation responses have been sent to the relevant Head of Service to:
 - Reply to any particular responders as appropriate, for example, community groups, Assembly Members
 - Where appropriate, build the comments into the implementation of the proposals, subject to these being agreed by Council

- 6.11 Cabinet is requested to consider the outcome of consultation and to agree whether or not to make any change to the savings proposals in Appendix D.
- 6.12 As previously agreed, engagement on the delivery of the objectives in *Sustainable Swansea, fit for the future* will continue during 2016. Specific consultation will also be required on proposals from Commissioning Reviews as they come forward during 2016.

7 Staffing Implications

Background

- 7.1 The Cabinet Report of 10th December 2015 set out the latest estimate (work on this is continuing and the number is likely to change) of the impact of the current proposals on staffing numbers for 2016/17 which is shown as Full Time Equivalents (FTEs), i.e.

Table 5 – Outline Staffing Implications

| | |
|--|-------------|
| SERVICE SPECIFIC PROPOSALS | FTEs |
| Corporate Services | 22 |
| Place | 127 |
| People | 39 |
| TOTAL | 188 |
| | |
| SUSTAINABLE SWANSEA PROPOSALS | FTEs |
| Senior Staff Review | 100 |
| Customer Contact | 7 |
| Commissioning Reviews : Place | 85 |
| Commissioning Reviews : People | 8 |
| Commissioning Review : Business Support | 115 |
| Commissioning Reviews : Stage 2 | 50 |
| Community Action | 5 |
| Prevention | 100 |
| Stopping Services | 40 |
| TOTAL | 510 |
| | |
| LESS overlap with Service Proposals | -58 |
| | |
| GRAND TOTAL | 640 |

- 7.2 The Council is committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies.
- 7.3 The S188 Letter was sent out on 11th December 2015 and consultation with Trade Unions ran until 31st January 2016.
- 7.4 Eight meetings have taken place with the Trade Unions since the S188 was issued; with further meetings scheduled for February 2016.

- 7.5 It should be noted that consultation will be undertaken on a rolling basis outside the normal budget cycle, as the outcomes from commissioning and other reviews are presented to Cabinet. Consequently, in some Service Areas, it was not possible at the time of the formal meetings with the Trade Unions to give details of the precise impact on staff and the figures quoted were, therefore, overall estimates. Future meetings with Trade Unions will be used to provide more detail when this becomes available as future options are agreed.
- 7.6 A significant reduction in posts in 2016/17 will be unavoidable, given that the Council spends 40% of its overall budget on employees (significantly more in some Service Areas). It is important, therefore, that the Council is open about the likelihood of compulsory redundancies in 2016/17 and beyond given the increased level of savings and the reduced scope for redundancies.
- 7.7 Notwithstanding the scale of the challenge, in line with the Council's current policy, every effort will be made to minimise compulsory redundancies. Management action includes:
- *Tight management of vacancies so that we manage the deletion of posts via natural wastage over time*
 - *The use of fixed term appointments where a post needs to be covered*
 - *Stopping the use of agency staff unless a clear business case can be made*
 - *Redeployment and retraining where ever possible*
 - *Further encouragement of staff to consider ER/VR options, including bumped redundancies and a time limited enhanced ER/VR offer*
 - *Encouraging staff to work flexibly e.g.: reduce hours or job share*
 - *Flexible retirement*
- 7.8 The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings, those in management/supervisory posts and those employed in business support functions.

Issues

- 7.9 So far, the Trade Unions have not raised any concerns in relation to the level of information provided to them which includes the service savings proposals for each service area, which includes details of where the posts at risk are.

The Trade Unions have been asked whether they will be providing a formal response to the proposals. However, to date they have not yet confirmed whether they intend doing so.

Based on current information it is anticipated that there will some changes to the staffing figures as a result of:

- ERVR applications
- Not filling vacant posts

- Flexible Working requests, i.e. reduced hours
- Flexible Retirement
- Redeployment

These figures will be updated on an ongoing basis.

The HR Officers are constantly working with redeployees to secure them alternative positions. Employees at risk, i.e. those who have not been served notice, can also be considered for redeployment.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

Consultation Period and Notice Periods

- 7.10 The formal staff consultation period ended on 31st January 2016; although consultation meetings with the Trade Unions will continue throughout February.

Assuming that Council approves the budget, it will be after this date that the workforce implications of the budget can be implemented.

After any redundancy selection process has been completed, displaced staff will then be served with their contractual notice which could range from a 4 week period up to 12 weeks, which depends on the employee's length of service.

8 Reserves and Contingency Fund Requirement

Background

- 8.1 It is a requirement of the Local Government Finance Act 1992 that authorities have regard to the level of reserves when calculating their Budget Requirement. Whilst there is no prescribed statutory minimum level of reserves, account should be taken of the strategic, operational and financial risks facing the Council.
- 8.2 In assessing the adequacy of reserves account needs to be taken of the following general factors:
- treatment of inflation and interest rates
 - level and timing of capital receipts
 - treatment of demand led pressures
 - Expected performance against challenging budget requirements
 - treatment of planned efficiency savings / productivity gains
 - financial risks inherent in major capital developments and funding
 - the availability of reserves, government grants and other funds
 - general financial climate to which the authority is subject

In addition, whilst the Council is making substantial progress towards achieving a balanced budget for 2015/16, there remains considerable potential volatility until such time as the majority of back pay payments are settled by the end of March 2016. Any consideration on use of reserves to fund the 2016/17 Revenue Budget is dependent on the level of confidence in predicting 2015/16 Revenue Outturn.

Setting the level of reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy i.e. it is more than a short term decision.

8.3 In considering reserve levels Members should have specific regard to:-

- The report of the Section 151 Officer to Council on 24th September 2015 'Review of Revenue Reserves'

- The recent guidance issued by Welsh Government and circulated to all Members advising on methods that might be employed when reviewing the overall reserves of the Council.

General Reserves

8.4 The General Reserve amounted to £12.360m at 1st April 2015.

8.5 The Revenue Budget for 2015/16 approved by Council on 24th February 2015 assumed a transfer of £1.2m from General Reserves to support the budget. At the current time it is assumed that the transfer will be required and therefore the forecast level of General Reserves as at 31st March 2016 is £11.160m.

8.6 At this point in time it is not proposed to transfer any further element of the General Fund Balance to support the 2016/17 Revenue Budget.

The level of General Fund balances therefore estimated at 31st March 2017, assuming achievement of the 2015/16 Revenue Budget, would also be £11.160m.

Contingency Fund

8.7 The 3rd quarter financial monitoring report detailed several forecast uses of the Contingency Fund in 2015/16. At this time, it is anticipated that the £5.4m budgeted contribution in 2015/16 will be fully expended and/or used to fund the Councils outturn position. Given the overall position as forecast in the 3rd quarter budget monitoring report for 2015/16 considered elsewhere on this agenda, the forecast Fund balance as at 31st March 2016 is nil.

8.8 In assessing the value of the Contingency Fund requirement in 2016/17, the following potential requirements are relevant:

(a) The risks and issues detailed in Section 11 below.

- (b) The need to provide a potential source of finance for the ongoing ER/VR scheme, together with the need to fund any redundancy costs arising from service reorganisation bearing in mind the Council has now retained Earmarked Reserves for this purpose.
- (c) The poor outlook for Public Finances as set out in the Cabinet report on 10th December and summarised in the MTFP report elsewhere on the agenda.
- (d) The challenging additional savings target (£7.418m) implicit in budget savings proposals for 2016/17

8.9 Bearing the above in mind, together with the proposals in respect of funding current year service pressures within the 2016/17 base budget, which continues to maintain reduced levels of risk, it is recommended that the contribution to the Contingency Fund in respect of 2016/17 is maintained at £5.4m.

Earmarked Reserves

8.10 The Council retains earmarked reserves for specific purposes. The reasons for holding these reserves are documented and are subject to ongoing review and scrutiny. The forecast transfers to and from reserves are summarised in Appendix C.

On 24th September 2015 Council received and approved a report detailing a formal review and re-allocation of Earmarked Revenue Reserves of the Council.

8.11 The Revenue Budget for 2015/16 approved by Council on 25th February 2015 included budget provision for two separate transfers to reserves as follows:-

- £1.6m to fund the Council's contribution to the Intermediate Care Fund replacing loss of Welsh Government core funding for that project.
- £1.7m towards in year transformation costs associated with the delivery of the Sustainable Swansea programme.

It is intended that the contribution to the ICF Reserve continue in the same amount for 2016/17 but that the contribution towards a reserve for transformation costs be discontinued.

8.12 It is clear from analysis of specific grant approvals so far received in respect of 2016/17 that the Council is likely to face a significant reduction across a number of services in terms of specific grants.

Past experience has shown that whilst it is extant Council policy that any reduction in specific grant should be met from an equal reduction in service expenditure, there is often a lag between loss of grant and reduction in costs/change in service levels.

It is also clear that in respect of some specific grants (e.g. waste grant) that any reduction in associated expenditure may have a detrimental effect in meeting service targets with a consequential increase in future financial penalties.

It is therefore proposed that a contribution of £1.7m is made to a one off reserve in order to mitigate the loss of specific grants and/or deal with timing issues, with application being made on an individual basis as each grant notification is received.

In addition, whilst not explicitly budgeted for on the face of the revenue account, there is an underlying planning assumption that £2m of the recently created Restructuring Costs Reserve provisionally be committed towards meeting part of the cost of actual staffing reductions as they fall due in 2016-17 as part of the evolving reviews of senior staffing, business support, stopping lower priority services and the wider commissioning reviews.

Review of Insurance Fund

- 8.13 A further review has been completed of the sums set aside to provide for future claims which are not known or only partly known at this time. Such claims can be very significant and can relate to past periods going back many years.

The review highlighted an Insurance Fund surplus as at 31st March 2015.

- 8.14 In the light of an assessment of likely financial risks facing the Council over the period of the Medium Term Financial Plan, a report was approved by Council on 24th September 2015 which allocated £4m of Insurance Fund reserves into a restructuring reserve.

Adequacy of Reserves

- 8.15 Whilst the proposed use of Earmarked Reserves in 2016/17 funds some recurring expenditure, taking into account the level of General and Earmarked Reserves which would be available should there be an overriding financial requirement, and the arrangements in place to monitor and manage financial risk in 2016/17 and future years, I am satisfied that the proposed management of reserves in 2016/17 will result in a forecast level of General Reserves, Earmarked Reserves and Provisions which is adequate, subject to the potential financial implications of the risks described in Section 11 below and the final budget proposals recommended by Cabinet to Council.
- 8.16 Given the considerable risks and uncertainties facing the Council in 2016/17 and future years, it remains my advice as the officer designated with responsibility for the overall finances of the Council that the above represents prudent financial management.

9. Budget Requirement and Council Tax 2016/17

- 9.1 The Council's recommended requirement is set out in Appendix A. The City and County of Swansea Requirement of £412.650m will be financed partly by Revenue Support Grant of £234.530m and National Non-Domestic Rates of £73.224m.

Based on the report to Cabinet on 10th December 2015, and in line with assumptions contained in the Medium Term Financial Plan for 2016/17 approved at Council on 23th February 2015, a Council Tax rise of 3% would generate an additional sum of £3.122m, a band 'D' charge of £1,165.76.

- 9.2 Including Community Councils, the total requirement, after taking account of proposals in respect of reserve transfers and currently assumed savings, is £412.650m.
- 9.3 The above proposals are based on an indicative Council Tax rise of 3% which has been consistently used as a basis for planning assumptions within the Medium Term Financial Plan.

10. Summary of Funding 2016/17

- 10.1 The implications of sections 4, 5, 6, 7 and 8 above, together with the assumed 3% rise in Council Tax identified in Section 9 above, results in a forecast additional funding of £20.992m in 2016/17 as detailed in Table 6 below.

Table 6 – Budget Proposals 2016/17

| | £'000 |
|--|---------------|
| Savings identified per Section 5.3 above | -17,870 |
| Net effect of Council tax base increase and proposed charges | -3,122 |
| Overall resourcing | 20,992 |

- 10.2 Cabinet is asked to consider whether, as a result of the consultation exercise, it wishes to make any changes to the budget savings proposals for 2016/17 and, if so, any other consequential changes that may need to be addressed. The lower than expected cut in AEF should be seen as an opportunity to increase investment in the Council's priorities and preventative action in particular, not to slow down the pace of change or the level of required savings.

11. Assessment of risks and uncertainties

- 11.1 As in previous years, there are a number of potential costs which have been considered in the context of the budget proposals. In particular, the following items:

(a) Implications of specific 2015/16 overspends

The 3rd quarter financial monitoring report on this agenda highlighted a number of service overspends. It is anticipated that remedial action already in place will serve to mitigate many of the overspends identified. Where this is not the case, then adjustment via the Contingency Fund will have to be made for any items that are seen to re-occur.

(b) New Unavoidable Spending Requirements

All services will need to meet a range of additional / new pressures in 2016/17. These include the implications of new legislation; demographic changes; final completion of the single status appeals process; and other requirements. Whilst reasonable provision has been made for these costs, there is a risk that some items will result in overspends. In particular it is assumed that whilst the cost of pay protection arising out of single status implementation can be funded centrally, any additional costs that will have arisen as a result of the appeals process will have to be met from within specific existing Directorate budgets.

(c) Savings

The 2016/17 budget includes significant and extensive savings targets which must be achieved. It is a requirement of the Council's financial procedure rules that Responsible Officers are required to manage expenditure within approved budgets of the Council and to that extent it is essential, should specific proposed budget savings be delayed or postponed, alternative savings are achieved in year to meet approved Directorate Budgets.

Given the nature and scale of the savings challenge during 2016/17, there will be enhanced monitoring and tracking of progress in achieving budget savings which will be reported to Executive Board, Budget Steering Group and Cabinet.

It is essential in terms of the financial challenges facing the Council beyond 2016/17 that further savings proposals are developed as part of the *Sustainable Swansea* programme and implemented in 2016/17 over and above those proposed within this budget. As noted above, further proposals will be brought to Cabinet during the year, for example, as reviews within the New Model of Delivery Workstream are completed.

(d) Inflation

Where there have been specific announcements around minimum wage increases an estimate has been included around the potential additional costs that may fall to the Council from external contractors. In addition £1m has been provided for potential specific increases in areas where there is a significant element of contracted out services.

(e) Outcome Agreement Grant

Outcome agreement grant has ceased for 2016/17 and has been incorporated into the overall financial settlement. This removes risk in this area

(f) Care Home Fees

Budget provision has been made for the 2015 contract settlement with care home providers. However, it is likely that fees will need to be further increased over and above the budget provision given that the Council has to undertake an annual review of payments to care home providers which must be robust and evidenced – see specific provision for inflation above.

(g) Specific Grants

A number of specific grants are yet to be announced. In the event that the level of specific grants awarded for 2016/17 is less than that for 2015/16, which is highly likely based on limited announcements made so far, it is essential that Directorates take action to manage such reductions within the proposed spending limits – i.e. there is no ongoing corporate provision for meeting such shortfalls. There is a clear expectation that expenditure will be cut to match the level of grant. Recent experience suggests that there may be substantial in-year reductions to grant funding streams that will require urgent and concerted action in terms of mitigation.

It is, however, acknowledged based on past experience that where specific grants are reduced there may be a time lag between reduction in funding and the Council's ability to reduce costs. It is equally clear that in some areas currently funded by specific grant the Council will, for operational or service reasons, wish to maintain expenditure.

The proposals on earmarked reserves detailed in Section 8.12 of this report propose setting up a one-off fund of £1.7m against which service bids can be made to offset timing issues or as a basis for baseline increases in budget to mitigate against losses in specific grants.

(h) Equal Pay Back Payments

It is envisaged that the bulk of equal pay claims both in number and value will have been settled by 31st March 2016. However, legislation is such that further claims cannot be precluded although the introduction of the compliant

pay and grading structure from 1st April 2014 will significantly lessen risk in this area over time.

(i) Implementation of Single Status

Whilst the Council implemented a compliant pay and grading structure from 1st April 2014, there has been a significant number of appeals against grades awarded. Where these appeals have been successful, it will lead to additional costs over and above the grade initially allocated including incremental costs over a period of up to five years.

(j) Council Tax Reduction Scheme

Provision has been made for the estimated costs which are now linked directly to any proposed increases in Council Tax Levels.

(k) Capital Financing Charges

There is a risk that the funding shortfalls highlighted in the Capital Budget report elsewhere on the agenda will result in additional charges over and above the agreed budget provision. The Report on the Capital Programme for 2015/16-2019/20 elsewhere on this agenda highlights specific actions that need to be taken to mitigate against future increases in revenue costs linked to increases in unsupported borrowing and further externalisation of current debt.

- 11.2 Whilst reasonable assumptions have been made in relation to each of the above risks it is impossible to be certain that adequate funding will be available for every item. This re-enforces the need to have adequate reserves and balances available to meet any unexpected costs or shortfalls.
- 11.3 The above risks are both substantial and potentially significant in value. Therefore during 2016/17 specific actions are being put in place which will involve:-
- Monthly monitoring of specific savings targets against an agreed implementation timetable in order to identify any slippage and appropriate and equivalent compensating budget savings.
 - Ensuring compliance with the Council's Financial Procedure Rules which require Responsible Officers to manage budgets within the limits set by Council
 - Early and ongoing monitoring of the effect of pay and grading implementation and in particular the cumulative effect of the initial appeals procedure
 - The impact of any changes to specific grant funding streams

12. Equality Impact Assessment (EIA)

12.1 Budget proposals continue to be subject to the Council's Equality Impact Assessment (EIA) process. Appendix F contains the Equality Impact Assessment (EIA) Statement for the Budget. The focus continues to be on mitigation of impact on the community.

12.2 As the budget EIA process is now ongoing throughout the year, the majority of EIA reports remain open as proposals are considered, undergo relevant engagement and develop further as a result of feedback, ongoing developments and reviews. Thus, EIA reports will be updated over a period of time to take account of impact and the outcomes of service specific engagement where required. As they are completed each report will be published on the Council's website at:

<http://www.swansea.gov.uk/eia>

13. The Medium Term Financial Plan (MTFP) 2017/18 – 2019/20

13.1 Many of the issues identified in this report have implications for future years. The MTFP report elsewhere on the agenda includes an assessment of likely shortfalls in future years and outline proposals for achieving savings.

14. Legal Implications

14.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

Contact officer : Mike Hawes, Head of Finance and Delivery
Telephone no : 636423
Background papers : None

Appendix 'A' Revenue Budget summary 2016/17

Appendix 'B' Net Directorate budget proposals

Appendix 'C' Earmarked Reserves

Appendix 'D' Specific savings proposals

Appendix 'E' Summary of consultation responses

Appendix 'F' Equality Impact Assessment Statement

Appendix 'G' Response of the Schools' Budget Forum

Appendix 'H' Directorate Budgets

| | <i>Appendix 'A'</i> | |
|--|---------------------|----------------|
| REVENUE BUDGET SUMMARY 2016/17 | | |
| <u>DIRECTORATE</u> | | |
| | BUDGET | BUDGET |
| | 2015/16 | 2016/17 |
| | £000 | £000 |
| CORPORATE SERVICES | 44,380 | 42,815 |
| PEOPLE - POVERTY AND PREVENTION | 4,780 | 4,912 |
| PEOPLE - SOCIAL SERVICES | 104,701 | 103,510 |
| PEOPLE - EDUCATION | 156,301 | 159,000 |
| PLACE | 52,691 | 50,367 |
| ADDITIONAL SAVINGS STRANDS - TO BE ALLOCATED | -3,000 | -2,000 |
| <i>NET DIRECTORATE EXPENDITURE</i> | 359,853 | 358,604 |
| SPECIFIC PROVISION FOR CONTRACT INFLATION | 0 | 3,000 |
| <i>OTHER ITEMS</i> | | |
| LEVIES | | |
| SWANSEA BAY PORT HEALTH AUTHORITY | 94 | 93 |
| CONTRIBUTIONS | | |
| MID & WEST WALES COMBINED FIRE AUTHORITY | 11,773 | 11,893 |
| <i>CAPITAL FINANCING CHARGES</i> | | |
| PRINCIPAL REPAYMENTS | 14,541 | 14,916 |
| NET INTEREST CHARGES | 14,357 | 14,732 |
| <i>NET REVENUE EXPENDITURE</i> | 400,618 | 403,238 |
| <i>MOVEMENT IN RESERVES</i> | | |
| GENERAL RESERVES | -1,200 | 0 |
| EARMARKED RESERVES | 8,648 | 8,070 |
| <i>TOTAL BUDGET REQUIREMENT</i> | 408,066 | 411,308 |
| DISCRETIONARY RATE RELIEF | 375 | 375 |
| <i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i> | 408,441 | 411,683 |
| COMMUNITY COUNCIL PRECEPTS | 910 | 967 |
| <i>TOTAL REQUIREMENT</i> | 409,351 | 412,650 |
| <i>FINANCING OF TOTAL REQUIREMENT</i> | | |
| REVENUE SUPPORT GRANT | 237,542 | 234,530 |
| NATIONAL NON-DOMESTIC RATES | 70,092 | 73,224 |
| COUNCIL TAX - CITY AND COUNTY OF SWANSEA | 100,807 | 103,929 |
| COUNCIL TAX - COMMUNITY COUNCILS | 910 | 967 |
| <i>TOTAL FINANCING</i> | 409,351 | 412,650 |
| <i>COUNCIL TAX BASE for the City and County of Swansea</i> | 89,066 | 89,151 |
| <i>COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea</i> | 1,131.82 | 1,165.76 |
| <i>GENERAL RESERVES</i> | | |
| AT 1 APRIL | 12,360 | 11,160 |
| AT 31 MARCH | 11,160 | 11,160 |

| REVENUE BUDGET 2016/17 | | | | | | | |
|--|---------------------------|--|---------------------------------|---------------------------|---------------|------------------------|----------------|
| NET DIRECTORATE BUDGET PROPOSALS | | | | | | | |
| | Corporate Services | People - Poverty and Prevention | People - Social Services | People - Education | Place | To be allocated | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Original estimate 2015/16 | 44,380 | 4,780 | 104,701 | 156,301 | 52,691 | -3,000 | 359,853 |
| Directorate Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Original estimates following transfers | 44,380 | 4,780 | 104,701 | 156,301 | 52,691 | -3,000 | 359,853 |
| Transfer to (+) / from (-) reserves 2015/16 | -319 | -22 | -331 | -75 | 705 | 0 | -42 |
| Original estimate 2015/16 excluding reserves | 44,061 | 4,758 | 104,370 | 156,226 | 53,396 | -3,000 | 359,811 |
| Transfers for specific grants 2015/16 | 2,342 | 0 | 0 | 0 | 0 | 0 | 2,342 |
| Baseline adjustments 2015/16 | 1,056 | 1 | -1,068 | 36 | -25 | 0 | 0 |
| Adjusted service budgets 2015/16 | 47,459 | 4,759 | 103,302 | 156,262 | 53,371 | -3,000 | 362,153 |
| Spending Needs | 800 | 450 | 3,800 | 3,850 | 2,500 | | 11,400 |
| Pay inflation provision | 257 | 85 | 453 | 235 | 670 | 0 | 1,700 |
| Savings: | | | | | | | |
| Specific consultation proposals | -3,839 | -387 | -933 | -1,149 | -3,913 | 0 | -10,221 |
| Net 100 days money proposals | 0 | 0 | 0 | -10 | -220 | 0 | -230 |
| Sustainable Swansea workstreams | -5,037 | -257 | -3,362 | -630 | -4,961 | 0 | -14,247 |
| OVERLAP - specific proposals which contribute to Sustainable Swansea | 2,777 | 83 | 0 | 414 | 3,145 | 1,000 | 7,419 |
| Original estimate 2016/17 excluding reserves | 42,417 | 4,733 | 103,260 | 158,972 | 50,592 | -2,000 | 357,974 |
| Transfer to (-) / from (+) reserves 2016/17 | 398 | 179 | 250 | 28 | -225 | 0 | 630 |
| Net Directorate budgets 2015/16 | 42,815 | 4,912 | 103,510 | 159,000 | 50,367 | -2,000 | 358,604 |

APPENDIX B

| REVENUE BUDGET 2016/17 | | | | | |
|--|-----------------|----------------|-----------------|----------------|-----------------|
| EARMARKED RESERVES | | | | | |
| | Balance | 2015/16 | Balance | 2016/17 | Balance |
| | 31/03/15 | | 31/03/16 | | 31/03/17 |
| | £000 | £000 | £000 | £000 | £000 |
| DIRECTORATE RESERVES | | | | | |
| Equalisation reserves | -649 | 0 | -649 | 0 | -649 |
| Commuted sums | -4,945 | -54 | -4,999 | -21 | -5,020 |
| Repair & renewal funds | -3,686 | -300 | -3,986 | -356 | -4,342 |
| Profit share | -1,027 | -66 | -1,093 | -66 | -1,159 |
| Service reserves | -3,871 | 1,074 | -2,797 | 451 | -2,346 |
| TOTAL DIRECTORATE RESERVES | -14,178 | 654 | -13,524 | 8 | -13,516 |
| CORPORATE RESERVES | | | | | |
| Contingency Fund | 0 | 0 | 0 | -5,400 | -5,400 |
| Insurance | -14,775 | 0 | -14,775 | 0 | -14,775 |
| Job Evaluation earmarked | 0 | -363 | -363 | 0 | -363 |
| Transformation/Efficiency | -10,376 | -1,767 | -12,143 | -2,722 | -14,865 |
| TOTAL CORPORATE RESERVES | -25,151 | -2,130 | -27,281 | -8,122 | -35,403 |
| UNUSABLE/TECHNICAL RESERVES | -1,465 | 44 | -1,421 | 45 | -1,376 |
| SCHOOLS DELEGATED RESERVES* | -9,754 | 3,247 | -6,507 | -1 | -6,508 |
| TOTAL RESERVES | -50,548 | 1,815 | -48,733 | -8,070 | -56,803 |
| * No updated information available - balances held by individual schools | | | | | |

Appendix D

Proposals flowing from existing agreed Medium Term Financial Plan

| Service Area | Proposal | Saving £'000 |
|-------------------------------|--|-----------------|
| Comms & Consultation | Establish a leaner model for communications across the council and reduce third party spending | 88 |
| Comms & Consultation | Reduce costs of producing the Swansea Leader by reviewing frequency of publication | 30 |
| Comms & Consultation | Governance Review: savings from more effective working across Democratic Services and Scrutiny as part of business support review | 40 |
| Comms & Consultation | Increase Staffnet advertising income | 5 |
| Comms & Consultation | Savings and efficiencies in range of administrative functions | 62 |
| Comms & Consultation | Efficiencies in Design & Print: new technology, reallocation of work; increased income. Commercial plan to be put in place to trade. | 57 |
| Finance | Workforce savings across the finance function linked to the business support review | 300 |
| Finance | 1. Greater use of e-payments 2. Insistence of payment in advance of service in order to minimise the incidence of invoicing/debt collection. 3. Further progress on e-invoicing, automated payments and supplier enablement, linked to the business support review | 120 |
| HR & OD | Implementation of business support review in Employee Services (ISIS self serve, Pensions, Support staff) and in HR | 185 |
| HR & OD | Corporate Health and Safety & Wellbeing Income from Trading | 80 |
| HR & OD | Restructuring of Health and Safety Team to focus on priorities and support managers via self service advice | 81 |
| Information & Business Change | Reduced Oracle system support costs, saving in systems development costs and rationalisation of ICT systems across all areas of the Council, linked to the business support review | 532 |
| Information & Business Change | Savings from the cessation of the ICT contract and establishing an in-house managed IT service. | 1,215 |
| Legal & Democratic Services | Reduction in a range of supplies and services budgets | 44 |
| Legal & Democratic Services | Continue to reduce the Child and Family Services legal budget in line with safely meeting demand | 30 |

| | | |
|------------------------------------|---|-----|
| Legal & Democratic Services | Reduce remaining Legal Services Budget by 7% and 6% between 2016-18, linked to the business support review | 132 |
| Legal & Democratic Services | Review of all Member support as part of the business support review | 12 |
| Legal & Democratic Services | Review joint legal team funded by the members of the Shared Legal Service and hosted by Swansea. The purpose for the team is to carry out work that would ordinarily be outsourced. | 21 |
| Poverty & Prevention | Efficiency savings in childcare support | 12 |
| Poverty & Prevention | Residential and Outdoor Centres - Implement the recommendations of recently completed Commissioning Review | 23 |
| Poverty & Prevention | Withdraw project funding for the West Glamorgan County Youth Theatre | 23 |
| Poverty & Prevention | Implement the recommendations of the recently agreed review of CCTV provision | 25 |
| Poverty & Prevention | Reduction in the payment of grants to third sector organisations | 35 |
| Social Services (Child and Family) | Further development of Signs of Safety to improve practice and ultimately reduce numbers of children in care | 100 |
| Social Services (Child and Family) | Foster Swansea - reduce costs by increasing in house Fostering placements | 200 |
| Social Services (Child and Family) | Residential Placements - reduce number and recourse to residential/out of county placements | 400 |
| Social Services (Child and Family) | Family and Friends - review number of funded placements | 50 |
| Social Services (Child and Family) | Emergency residential care - remodelling in-house provision to a 2 bed short term facility | 150 |
| Social Services (Child and Family) | Right sizing care packages, with providers, through Permanence team | 33 |
| Education | Make use of cloud technology to reduce reliance on server usage | 100 |
| Education | Full year effect of increase in price of school meals | 45 |
| Education | Removal of remaining Council contribution to Music Service through restructure, changes in delivery, & review of charges | 232 |
| Education | Cessation of remaining funding to support voluntary groups | 6 |
| Education | Fully implement current Business Support Commissioning Review as part of wider agile working across Department | 105 |

| | | |
|--|--|-----|
| Education | Implement the outcomes from the recent Behaviour Review to build capacity within mainstream schools to meet the needs of all pupils at the earliest opportunity and so avoid more costly interventions and placements at a later stage. | 310 |
| Education | ICT invest to save proposal to reduce cost of external software licences & maintenance - initially schools contribute towards costs of licences | 31 |
| Education | Minor reduction in SEN equipment budget & Specialist Teaching Facility sick cover | 10 |
| Education - Improvement | Reduce the level of service to the level that can be supported by the Welsh Government grant of £1.522m in line with Council policy | 189 |
| Corporate Building & Property Services | Minimum savings required from outcome of commissioning review on Building and Property services to be consulted on when review is complete | 650 |
| Cultural Services | Implement outcomes of agreed Leisure commissioning reviews | 286 |
| Cultural Services | Cease the literature programme as a stand alone function | 85 |
| Cultural Services | Share back office functions of venues across cultural services | 120 |
| Cultural Services | Reduce the directorate budget for grants, prizes and sponsorship | 85 |
| Cultural Services | Review small grants, enabling greater community governance, utility savings | 70 |
| Cultural Services | Leasing - new income streams | 15 |
| Cultural Services | Management and administration - staff reductions, grant reductions and efficiencies | 40 |
| Cultural Services | Grand Theatre staffing efficiencies/ increased income | 50 |
| Cultural Services | Libraries - Review book fund provision subject to forthcoming Commissioning Review | 97 |
| Cultural Services | Reduce grants to partner venues at Wales National Pool and National Waterfront Museum | 90 |
| Economic Regeneration & Planning | Restructure Economic Development, Planning & Environment Team, reduce costs in Planning Control, cease Planning Advertising in media, restructure Conservation & Urban Design Section, minimum required in advance of commissioning review | 210 |
| Economic Regeneration & Planning | Increase Planning Applications income | 50 |
| Highways & Transportation | Cleansing - reduce staff overtime | 100 |
| Highways & Transportation | Minimum savings arising out of the Commissioning Review of Public Toilets provision. Consultation to take place on completion of review | 88 |

| | | |
|-----------------------------|--|-----|
| Highways & Transportation | Increased coring programme | 5 |
| Highways & Transportation | Review of winter gritting provision | 24 |
| Highways & Transportation | Remove night patrol staff post | 21 |
| Highways & Transportation | Review of abandoned vehicle service | 50 |
| Highways & Transportation | Increased parking enforcement in resident parking areas | 120 |
| Highways & Transportation | Increase charges for berthing and barrage | 40 |
| Highways & Transportation | Cessation of Penlleger Shuttle | 19 |
| Highways & Transportation | Minor efficiencies and income generation from advertising | 15 |
| Highways & Transportation | Siding and ditching works in rural areas - potential to recycle the waste produced from this operation and reduce costs. | 30 |
| Housing & Public Protection | Increase fees and charges for Grant Agency Services | 23 |
| Housing & Public Protection | Service review and staffing reductions in Housing Options and management of Bed and Breakfast Budget. | 79 |
| Housing & Public Protection | Increase burial and cremation fees. | 78 |
| Housing & Public Protection | Increase charges for wedding venue facility at Civic Centre. | 20 |
| Housing & Public Protection | Reduce Dredging requirement in Tawe impoundment | 25 |
| Housing & Public Protection | On-going efficiencies and staffing reviews | 35 |
| Waste Management & Parks | Minimum savings required from outcome of commissioning review on waste services to be consulted on when review is complete | 519 |
| Waste Management & Parks | Reduce machinery, transport, utility and maintenance costs | 80 |
| Waste Management & Parks | Reduction in seasonal gardeners who compliment the permanent workforce during spring and summer. | 20 |
| Waste Management & Parks | Weedspraying and knotweed work re-modelled to generate additional income | 50 |

| | | |
|--------------------------|--|-----|
| Waste Management & Parks | Minimum savings required from administrative/staff savings as part of the commissioning reviews | 88 |
| Waste Management & Parks | Restructure Play and landscape, arborist and tree services teams | 58 |
| Waste Management & Parks | Take out all planters at various sites such as Civic Centre, Guildhall, Grand Theatre for which we do not receive income | 7 |
| Waste Management & Parks | Increased income from marketing memorial benches | 10 |
| Waste Management & Parks | Increase income across parks operations | 110 |
| Waste Management & Parks | Further develop existing policy on Community Asset transfers for bowling greens | 65 |
| Waste Management & Parks | Senior/Specialist staff reduction in parks | 54 |

| | |
|--------------|--------------|
| TOTAL | 8,794 |
|--------------|--------------|

New proposals being consulted upon

| Service Area | Proposal | Saving £'000 |
|-----------------------------|--|-------------------------|
| Comms & Consultation | Reduce the Lord Mayor hospitality budget by approx 70% | 25 |
| Comms & Consultation | Delete the Lord Mayor inauguration budget. Savings to be achieved by sponsorship of events and other income opportunities | 11 |
| Financial Services | Underspending on Council Tax Reduction Scheme - actual take up is lower than expected - due to improved local economic circumstances and this is expected to continue | 475 |
| Financial Services | Removal of Discretionary Council Tax Grant for Pensioners | 294 |
| Poverty & Prevention | Reduce funding for the provision of childcare and early years support | 39 |
| Poverty & Prevention | Remodel open access youth club provision across the City & County | 80 |
| Poverty & Prevention | Remodel Council funding provision to third sector organisations. | 150 |
| Education | Review funding of the Employment Training Schools Programme | 121 |
| Culture | Close existing Tourist Information Centre following provision of new TIC in conjunction with the scheme to develop Swansea Castle as a visitor attraction as part of agreed Leisure commissioning review | 103 |
| Highways & Transportation | Reduction in sweeping hire | 8 |
| Highways & Transportation | Minimum savings required as a result of the commissioning review of highways and parking services to be consulted upon when commissioning review is complete | 76 |
| Housing & Public Protection | Review of grants to housing voluntary sector | 45 |

| | |
|--------------|--------------|
| TOTAL | 1,427 |
|--------------|--------------|

| | |
|-----------------------------------|---------------|
| SERVICE SPECIFIC PROPOSALS | 10,221 |
|-----------------------------------|---------------|

Summary of Budget Corporate Consultation

Survey activity

- 771 responses to the consultation survey itself, 646 received online
- 1 CYP budget big conversation event (56 pupils attended)
- 3 consultation drop in sessions with Cabinet members for members of the public

Main survey results

Main areas of concern from sections one, four and five which asked users to agree or disagree with proposals:

1. Additional cost for some social care services
713 survey responses on this proposal in total, with 62% disagreed with the proposal
2. Reduction of gritting routes
714 survey responses in total, 53% disagreed with this proposal
3. Cease to provide the abandoned vehicle service
695 survey responses, 56% disagreed with the proposal

Other areas creating interest

- End the discretionary pensioner council tax reduction scheme
42% disagreed with this proposal in the survey
- Libraries review
41% disagreed with this proposal in the survey
5 comments outside of the survey comments against the sale of Civic Centre and relocation of Central Library, plus more against potential closures in other libraries
- Archives
Petition received from Neath Antiquarian Society with 115 signatures against the proposal to reduce the service
15 emails and letters against the reduction of service in Neath including from Neath councillors and mentioning lack of notification

- Swansea Museum and Glynn Vivian Art Gallery

Detailed response from Federation of Museums and Art Galleries of Wales covering both the museum and gallery issues

Comments and suggestions on the proposals

A very large number of comments and responses have been collected within the survey in addition to the summary below. The full report is available from Rhian Millar and will be circulated to Councillors, Executive Board and the relevant Heads of Service and senior managers.

| Name of proposal | Number of survey responses | Agree / disagree |
|---|----------------------------|--|
| Would you be prepared to pay more for some services rather than lose them? | 729 | Yes - 433 (59%) No - 296 (41%) |
| Would you prefer for the council to deliver services in a different way rather than lose them? | 727 | Yes - 599 (82%) No - 128 (18%) |
| Would you be prepared to pay an additional cost for some social care services from the council? | 713 | Yes - 272 (38%) No - 441 (62%) |
| Provide tourist information and visitor marketing activity through online platforms | 736 | Strongly agree - 302 (41%) Tend to agree - 271 (37%) Tend to disagree – 102 (14%) Strongly disagree – 61 (8%) |
| | | |

| | | |
|--|------------|---|
| <p>Transform the tramshed in Dylan Thomas Square into commercial premises for lease</p> | <p>728</p> | <p>Strongly agree - 233 (32%) Tend to agree - 257 (35%) Tend to disagree – 104 (14%) Strongly disagree – 134 (18%)</p> |
| <p>Transform the collections centre in Landore so that it can be used as a visitor centre</p> | <p>715</p> | <p>Strongly agree - 275 (38%) Tend to agree - 269 (38%) Tend to disagree – 80 (11%) Strongly disagree – 91 (13%)</p> |
| <p>Seek a charitable or not-for-profit partner to run Swansea Museum and the Olga, Canning and the Helwick Lightship</p> | <p>725</p> | <p>Strongly agree - 230 (32%) Tend to agree - 269 (37%) Tend to disagree – 116 (16%) Strongly disagree – 110 (15%)</p> |
| <p>Seek an alternative operator to manage the Dylan Thomas Exhibition</p> | <p>718</p> | <p>Strongly agree - 267 (37%) Tend to agree - 300 (42%) Tend to disagree – 87 (12%) Strongly disagree – 64 (9%)</p> |
| | | |

| | | |
|--|-----|---|
| Develop a fully-integrated regional archive service | 717 | <p>Strongly agree - 266 (37%)</p> <p>Tend to agree - 348 (49%)</p> <p>Tend to disagree – 64 (9%)</p> <p>Strongly disagree – 39 (5%)</p> |
| Establish the Glynn Vivian Art Gallery as a major attraction and destination gallery | 712 | <p>Strongly agree - 269 (38%)</p> <p>Tend to agree - 300 (42%)</p> <p>Tend to disagree – 85 (12%)</p> <p>Strongly disagree – 61 (9%)</p> |
| Develop conference opportunities between the Brangwyn Hall and the rand Theatre | 718 | <p>Strongly agree - 329 (46%)</p> <p>Tend to agree - 308 (43%)</p> <p>Tend to disagree – 50 (7%)</p> <p>Strongly disagree – 31 (4%)</p> |
| Seek interest from not-for-profit parties to run community leisure centres | 717 | <p>Strongly agree - 229 (32%)</p> <p>Tend to agree - 265 (37%)</p> <p>Tend to disagree – 117 (16%)</p> <p>Strongly disagree – 106 (15%)</p> |

| | | |
|--|-----|---|
| Review opening hours and charging policies | 708 | <p>Strongly agree - 217 (31%)</p> <p>Tend to agree - 333 (47%)</p> <p>Tend to disagree – 94 (13%)</p> <p>Strongly disagree – 64 (9%)</p> |
| Review events to establish a revised programme to cover staff / management costs | 696 | <p>Strongly agree - 262 (38%)</p> <p>Tend to agree - 350 (50%)</p> <p>Tend to disagree – 52 (7%)</p> <p>Strongly disagree – 32 (5%)</p> |
| Review currently subsidised events | 719 | <p>Strongly agree - 342 (48%)</p> <p>Tend to agree - 212 (29%)</p> <p>Tend to disagree – 102 (14%)</p> <p>Strongly disagree – 63 (9%)</p> |
| Review the best way to deliver and develop the library service | 717 | <p>Strongly agree - 187 (26%)</p> <p>Tend to agree - 237 (33%)</p> <p>Tend to disagree – 132 (18%)</p> <p>Strongly disagree – 161 (22%)</p> |

| | | |
|--|------------|--|
| <p>Seek interest from a third party operator to run Plantasia on a sustainable basis</p> | <p>709</p> | <p>Strongly agree - 387 (55%) Tend to agree - 239 (34%) Tend to disagree – 39 (6%) Strongly disagree – 44 (6%)</p> |
| <p>Change the way costs for such things as legal and planning support are funded when the council undertakes work as part of the Disabled Facilities Grant</p> | <p>640</p> | <p>Strongly agree - 239 (37%) Tend to agree - 295 (46%) Tend to disagree – 77 (12%) Strongly disagree – 29 (5%)</p> |
| <p>Reduce the gritting routes by 10%</p> | <p>714</p> | <p>Strongly agree - 153 (21%) Tend to agree - 184 (26%) Tend to disagree – 180 (25%) Strongly disagree – 197 (28%)</p> |
| <p>End the discretionary pensioner council tax reduction scheme</p> | <p>694</p> | <p>Strongly agree - 201 (29%) Tend to agree - 201 (29%) Tend to disagree – 167 (24%) Strongly disagree – 125 (18%)</p> |
| | | |

| | | |
|---|-----|---|
| Exploit the commercial opportunities offered by Swansea Leader and reduce publication from six editions to four | 716 | <p>Strongly agree - 526 (73%)</p> <p>Tend to agree - 149 (21%)</p> <p>Tend to disagree – 19 (3%)</p> <p>Strongly disagree – 22 (3%)</p> |
| Cease to provide the abandoned vehicle service | 695 | <p>Strongly agree - 166 (24%)</p> <p>Tend to agree - 139 (20%)</p> <p>Tend to disagree – 219 (32%)</p> <p>Strongly disagree – 171 (25%)</p> |
| Reduce admin costs through greater use of automation and e-payments at Civic Centre | 709 | <p>Strongly agree - 306 (43%)</p> <p>Tend to agree - 189 (27%)</p> <p>Tend to disagree – 127 (18%)</p> <p>Strongly disagree – 87 (12%)</p> |

Profile of respondents

| Which best describes you? | Totals | % |
|--|---------------|----------|
| Member of the general public | 531 | 0 |
| Work for the City and County of Swansea | 190 | 0 |
| Councillor | 5 | 0 |
| Member of the Swansea LSB | 3 | 0 |
| Representing a voluntary/community group | 15 | 0 |
| Representing an equality group | 0 | 0 |
| Representing businesses | 8 | 0 |
| Other (write in) | 7 | 0 |

| Language | Totals | % |
|-----------------|---------------|----------|
| Welsh | 14 | 2% |
| English | 757 | 98% |

The Big Budget Conversation 2016

In September 2013 the City & County of Swansea agreed to create a 'due regard' duty and to consider Children's /Rights (UNCRC 1989) in all of the Council's decision-making processes. This has provided the opportunity to create a platform for change and achieve a culture where there is a full appreciation of children's rights, and that they are consciously considered in all of the Council's work so that ultimately, it will result in better services and lives for children, young people and families.

The Big Budget Conversation was the 3rd annual consultation with children and young people on the City and County of Swansea budget proposals. The City and County recognises every child's right to be heard in decisions that affect them, and to ensure a quality experience for children and young people a comprehensive exercise was undertaken to assess which of the full list of budget proposals:

- Have been identified as important and relevant to children and young people, by children and young people, and;
- Have already been consulted upon with children and young people.

As such, the following three areas formed the basis of the 2016 budget consultation with children and young people:

- **Sustainable Swansea:** young people were encouraged to think about the council budget as a whole and some of the challenges faced in making savings from it. The session encouraged young people to prioritise areas of the budget important to them, and to consider where and how we might/should make savings.
- **Remodelling youth club provision:** young people were supported by staff from Young People's Services to inform a way forward to ensure effective and efficient youth club provision in Swansea.
- **Education:** School and Learning has consistently been identified as a priority for children and young people. This session encouraged children and young people to explore what Education should/could look like in a climate where budgets have to be reduced but effectiveness maximised.

Participants were also directed to the wider public corporate consultation.

56 pupils took part in the Big Budget Conversation 2016, representing the following schools:

- Birchgrove Comprehensive School
- Bishop Gore Comprehensive School
- Bishopston Comprehensive School
- Cefn Hengoed Comprehensive School
- Dylan Thomas Community School
- Gowerton School
- Pentrehafod School
- Penyrheol Comprehensive School
- Pontarddulais Comprehensive School
- Ysgol Gyfun Bryn Tawe
- Ysgol Gyfun Gwyr
- Ysgol Pen-y-Bryn

Education was also the focus of the Big Local Democracy Conversation that took place with 58 primary school pupils in October 2015. Schools represented at this event were:

- Clase Primary
- Craigfelin Primary
- Gwyrosydd Primary
- Pontlliw Primary
- Portmead Primary
- St. Joseph's Cathedral Primary
- St. Thomas Primary
- Talcopa Primary
- Terrace Road Primary
- Whitestone Primary
- Ysgol Gynradd Gymraeg Bryn Y Mor
- Ysgol Gynradd Gymraeg Llwynderw

Feedback from young people from this session will also feed into the Big Budget Consultation.

Findings

Workshop 1: Sustainable Swansea

Context and Overview

Swansea Council provides services to more than 240,000 residents. This includes the delivery of services such as education, care services for vulnerable people, protection services for children, waste and recycling collections, highways maintenance, leisure and recreation.

Despite successfully transforming the council through the Sustainable Swansea: Fit for the Future programme through the modernisation of services and the generation of income there is still a budget gap of £90 million meaning that difficult decisions need to be made.

This workshop aimed to encourage participants to consider:

1. The challenges of making budget decisions of this nature;
2. Future funding of services, both directly delivered by CCS and services contracted to partners;
3. Alternative ways subsidising budget efficiencies, e.g. delivering services differently, working with partners, and working with the community and with individuals.

• Would you prefer to be prepared to pay more for some services rather than lose them?

Yes 26

No 30

Comments

The groups in each workshop were split in their response to this question. Most agreed and were willing to pay more if the alternative was to lose services, particularly services they use such as leisure and recreation services and youth services. However, participants were concerned unanimously for poorer families and members of the community who may already struggle to access services. Young people agreed that if services introduce or increase charges, they should always be means tested to ensure that all have access to Council services regardless of their financial situation.

2. Would you prefer for the Council to deliver services in a different way rather than lose them?

Yes 40

No 16

Comments

Participants generally agreed that they would prefer to see services delivered differently rather than lose them although most felt that specific information would be required for particular service changes in order to make an informed decision to answer this question.

20 young people felt that some services should change, particularly in relation to the protection of children. These young people stated that they did not feel safe, particularly after dark and that services should be changed to support people to feel safe in their communities in the evenings.

3. Would you be prepared to pay an additional cost for some social care services from the Council?

Yes 28

No 25

Comments

Participants were very split in answering this question. As in question 1, participants were willing to pay more for services rather than lose them but felt that charges should apply on a means tested basis. Young people agreed this was particularly important in this case as those receiving social care services are likely to be vulnerable.

Why should we reduce budget in this area and can we deliver our services in a different way?

| | | | | | | | | | |
|---|---|---|--|--|---|--|--|--|---|
| <p>People should be encouraged to make rubbish and recycling their own responsibility.</p> <p>Communities could buddy up and take trips to the tip. Community organisations could support this.</p> | <p>These facilities are important but 'luxury'. Need to concentrate on basic needs of people first. These are choice and used by some, whereas everyone needs housing, care, education, etc.</p> <p>These could be run by someone else. The LC is a good example of this where equipment and services are higher quality than the council's gyms and pools.</p> | <p>Not enough thought goes into where parks and open spaces are situated. Some young people don't feel safe and wouldn't go to many parks.</p> <p>The council could concentrate on the bigger parks, making them attractive for people to want to visit.</p> <p>There is so much technology and most young people spend their time indoors on computers or at structured outdoor activities.</p> <p>Parks are weather dependant.</p> <p>Parks and open spaces are important but could be reduced as we think other areas such as education are more important .</p> | <p>"We have chosen to take 1 out here as we don't feel safe anyway. If this area has less money then perhaps the Council would have to think about how to make best use of the money they have".</p> | <p>Some people are able to afford their care and should contribute to it. Those who genuinely can't should be supported. People should be supported to live independently for as long as they can.</p> | <p>A small reduction in funding can help people to think about how to be more efficient. Some schools waste funding.</p> <p>Reducing education budgets impacts our future – in the long run education can contribute to reducing poverty.</p> | <p>Investment in education can tackle poverty in the long term</p> | <p>The housing system and criteria should be reviewed to make sure that the most vulnerable people have decent shelter, and that others who may abuse the system are identified.</p> | <p>These are important but could be run independently or by volunteers.</p> <p>Support should be offered to people to train and volunteer in these centres. This could help with unemployment too.</p> | <p>People should be encouraged to ride bikes or walk where possible instead of driving. Other organisations can help with bike schemes.</p> <p>Reduction in public transport should encourage people to get fitter and will help pollution.</p> <p>Parking charges could be increased to make up for some of the money taken out.</p> <p>Need to remember the needs of disabled and elderly though.</p> |
|---|---|---|--|--|---|--|--|--|---|

Workshop 2: Remodelling Youth Club Provision

Context and Overview

A review of youth clubs is taking place in the Poverty & Prevention service within the People Directorate. This service area looks at many things but specifically reducing poverty in Swansea communities where vulnerable families and young people live. There are statistics which direct us to those communities and help us identify the most vulnerable people who need support. We need to be SMART and utilise the money we have available more effectively to make it work better for us and those most vulnerable.

Swansea Young People's service is looking at the way youth clubs run. The purpose of youth clubs is to provide a safe space to access youth workers, engage in informal learning and opportunities and be supported. Youth Club data shows some clubs are not being used well and that the costs of these clubs are not effective.

Young People's Service need to gather young people's opinions on options being looked at by the council for the future provision of youth clubs.

Currently there are 4 youth hubs and 7 satellite youth clubs, these are listed below by area along with the positive and negative aspects about them.

| Hubs x 4 | Satellites x 7 | Positive & Negative |
|------------------------|---|---|
| Blaenymaes 3 nights | Montana & Gendros 1 night each | +Hub young people designated space, well resourced & FT youth worker access. -Satellites in community centres, ltd resources due to storage issues, pay rent, not YP friendly. |
| Stadwen 3 nights | St Thomas & Clydach 2 nights each NB – Clydach closed as no building or staff team at present. | +Hub young people designated space, well resourced & FT youth worker access. -Clydach closed no space or staff team. St Thomas, low numbers, ltd due to school base. |
| Townhill 3 nights | None | +Hub young people designated space, well resourced & FT youth worker access. |

| | | |
|-----------------------|--|---|
| Gorseinon 3 nights | Pontarddulais – 2 nights> no staff or suitable building = closed. Rhossili- 1 night >no young people attending. Close | +Hub young people designated space, well resourced & FT youth worker access. -no suitable space in Pontarddulais for YC & no staff= closed. Rhossili-No YP's in age range in village to attend. |
| | Friendship House (2 nights) 1 night YP & adults with LD's. 1 night Adults with LD's. Community of interest – people with learning disabilities. | Vulnerable adults, out of county attendees, not fitting with young people's service aims etc. |

Options

What we are not looking to do is close all the clubs or operate all clubs in the way we are currently.

We are looking at 3 different options:

1. Building on the provision that works well and are in the highest areas of need and close youth clubs that don't work.
2. Reduce the nights open in Hubs and keep satellite clubs open and in areas of need spreading the nights from Hubs to Satellite Clubs that work.
3. Retain only the Hubs and increase the level of staffing and support ensuring they are fit for purpose & the future.

Previous Feedback from Young People

In 2014 there was a proposal for some clubs to close, this was not taken forward. In 2015 there was a proposal for all youth clubs to close; this was not taken forward either.

Some key points from previous consultations with young people were to reconfigure the way things work as access to youth workers was expressed as important by young people, and work with young people raise funds towards costs of running youth club, Young people value the relationship between youth worker & young people and we need to find a way to share provision so that the most vulnerable young people in Swansea are supported. Use the data we have on attendance and performance of each club and analyse this to inform decisions made.

Young People's Comments on the Options Proposed

| <i>Responses from BIG Conversation 15/1/16</i> | Option 1 | Option 2 | Option 3 | Commissioning out to other organisations |
|--|---|---|--|---|
| Group 1 | 3 | X | 11 | No - 11 Yes – 0 No vote-3 |
| Group 2 | 10 | 4 | 2 | No - 14 Yes – 1 No vote – 1 Check people are capable to run a club. |
| Group 3 | 5 | 7 | 4 | No - 16 Yes - 0 |
| TOTAL | 18 | 11 | 17 | Total 46 |
| | Option 1 key points | Option 2 key points | Option 3 key points | |
| Key Points | Popular & interest. Invest in them. Apply to most vulnerable people. Could satellites use local schools? Easier to prioritise needs in Vulnerable areas. Put the money into clubs that work. Build the biggest & grow the smallest. | More realistic solution than hiding problem (option 3). Take resource to where it is needed. Transport issues getting to & from the big clubs (Hubs). Need options for those who don't drive, can't afford transport or are not | Keep Hubs Use money from satellites for transport. Townhill YP's want to keep the club. Big Hub = more support Support now and in the future. More staff + more resources. | |

| | | | | |
|--|--|----------------------------------|--|--|
| | <p>Combine options 1 & 3. Put youth cafes in hubs to make money to support the clubs. Young people work it and run like a business. Open hubs for quieter young people to access the club & who won't attend when it is busy.</p> | <p>allowed to catch the bus.</p> | | |
|--|--|----------------------------------|--|--|

NB There is a need to support vulnerable Young People with learning difficulties to enjoy opportunities such as after school clubs within environments they are comfortable in & with people they know well e.g. teachers; these need continued support.
(Young people from Pen y Bryn School & Support workers)

Workshop 3: Education

Context and Overview

Swansea cannot continue to implement the current education model of service delivery within the proposed budget. Therefore, it is essential that we consider a range of innovative solutions to ensure we build on the successes of recent years and refine our delivery model to ensure it is sustainable.

It is important that we continue to work to promote the rights of the child and ensure that children and young people are involved in decision making which affect their lives, therefore would like to offer the opportunity for children and young people in Swansea to be part of shaping the future Education Delivery Model in Swansea.

In both sessions (The Big Local Democracy Conversation with Primary Schools and The Big Budget Conversation with Secondary Schools), pupils were offered an open space to think about education, specifically considering what children and young people's most 'fit for purpose' education looks like in a climate where efficiency and effectiveness to ensure children and young people can thrive in education is critical.

Participants worked in groups to explore:

- What would they need to learn?
- What helps them to learn?
- What they would like their learning environment to look like?

All groups then prioritised three key messages to be fed back to the Chief Education Officer of the City & County of Swansea. Feedback from Secondary School pupils is in black. Feedback from Primary School pupils is in blue: Please note that while there is large overlap in messages from children and young people across schools, some pupils have shared specific feedback and linked key messages to a specific school and therefore feedback has been identified in some cases under a certain school.

- **School Facilities & Equipment** – More modern facilities, which are fit for purpose. Better library provision in schools and improved science facilities. Informal study areas. Better toilet/changing facilities. Stop smoking near schools. Facilities are important; we would like to learn lots of things using good quality equipment, e.g. better library, theatre, science labs, gardens, café, gym. Residential trips are useful for learning new things.
- **Classroom Environment** - Comfortable seats in class (Bean bags and sofa areas for recreational space) Not so formal classrooms. Different learning spaces. Bigger classrooms – Smaller class numbers, so each pupil gets a chance of more attention. Shorter lessons and more variety to keep attention spans Make lessons more fun. Classrooms should include things that support children who need special care to be able to learn in the same place as others, e.g. ramps, special play and learning equipment, areas to rest and quiet spaces. We all have equal rights.
- **Eating Facilities** - Better eating facilities. More than one canteen in bigger schools. More healthy eating options and snack options for break times – vending machines etc. Children would find it useful to have better links between the school kitchen and canteen. Cooking lessons would help children to understand where food comes from and what skills you need

to cook meals. Children need good food to grow and learn well. Cooking healthy, fresh food will save money. Schools should grow food where they can.

- **Recreational Space** - More recreational space – Free play areas and sporting facilities for lunch and break times. The playground is one of the most important parts of the school; this is where children can relax and play safely. Grass and green space is important as is equipment, e.g. football posts and playgrounds. Children and young people should be able to access open space regularly in school as this will keep minds fresh when they continue to work in class.
- **Technology** – More touch screen, iPad, use of macs, videos and presentations, educational games, pc, Xbox and ps4 etc.. Interactive technology, tablets in desks, cuts costs and good for environment. Equipment should be modern and up to date. We use iPad and computers to save time and paper.
- **Teaching Staff** -More relaxed/less strict teachers – Chilled out teachers. Teachers with experience of children with additional needs, so they can be fully integrated into mainstream school. Teachers should know about and understand rights. School should be a place where rights are respected. Staff who listen to you and other people and not just to other teachers. We could learn from other people not just teachers, e.g. actors, dancers, scientists, artists, doctors, lifeguards, gardeners, caretakers, chefs, sports people from the area.
- **Physical Education** - More lessons. Equal treatment for boys and girls – Same P.E options available and support for sports teams. More variety of sports and not stereotypical options. Sports are important because it gives you energy and keeps you fit and healthy to learn.
- **Teaching Styles & Lessons** - More Practical/creative lessons – Will help people who learn by doing, rather than writing or listening – Cookery, gardening, building maintenance, experiments, arts lessons, music, drama, etc.. – Professional master classes. More practical ways of learning numeracy and literacy. More opportunities to explore music, art, I.T, professional video gaming and E-Sports, digital design, 3D models and coding etc. Life skills – Equip us to be more independent and ready to leave school and go to university etc. Cooking, woodwork, textiles etc. At Key Stage 4 there should be 2 Free periods a week to allow for supported project/homework or study with guidance from teaching staff present, as this support may not always be available at home. Children should be able to learn through play, indoors and outdoors.
- **Options** – Allow more options instead of just three, more choice of options in year nine. Talk about your options in year 8, so they become more confident and think through/practise, trial sessions etc. to make sure your options are the right ones for you. Try out lessons, so you know and get a feel of your choice options. To have a say in compulsory options – To not have Welsh and RE
- **Transition & Sixth Form** – Moving up before the next school year, to try out your subjects and better familiarisation. Sixth Forms – Should not be closed, because there is a reason that pupils choose to stay than leave. Longer work experience. Better and varied career advice. Visits to University's so people can aim high and know what to expect.

- **School environment as a whole:**

Physical environment - buildings should be clean. There should be plenty of green spaces and flowers. Food should be good and healthy. There should be places to sit and to meet.

Ethos of school – the school ethos and the way people treat each other is very important. Schools should be environments where there is acceptance, courage, support, and gratitude for the things we have; where people are kind to each other, where there is discipline, where people are supported to show love, respect, tolerance and helpfulness to each other and where people feel welcome. People should learn about God and Jesus. Achievement should be celebrated, big or small.

Birchgrove

- Not to make class sizes any bigger
- Have a taster day in 6th form as well as college
- Focus on exam practise earlier in school

Bryn Tawe

- More Welsh Language
- No more cuts in Education - Ask Mr Harvey to visit our school to explore further questions we have about Education in Swansea and help us reach a consensus. (One of the questions raised was: Why has lots of money been spent on Lon Las, although budget cuts were ahead and foreseen?)
- Make Politics a subject choice from GCSE level.

Gowerton

- More Options at GCSE/A levels
- Smaller class sizes
- Increase funds for physical activity
- A choice about if you should do full course welsh because the short course is no longer an option.
- Newer buildings – purpose built for current educational needs. Better facilities
- Make HE options optional, not compulsory; choose what you actually want to do with your life.

Bishop Gore

- School building very old and in desperate need of repair and updating
- Better facilities in school – Improved access to open space/playing fields. Outside areas, P.E. spaces, Better lunchtime and break time space, improved I.T. provision, Better toilet facilities. Another canteen – Needs to be bigger, too many pupils
- More funds for resources
- I.T. lessons in year 7

Arrangements for feedback

It is important to ensure children and young people are provided with feedback on consultation event/activities. It clearly demonstrates that they have not voiced their opinions, feelings and ideas openly for nothing and that they have been listened to; that their right to voice has been respected. This includes information about decisions that could or could not be changed as a result of what they have said and why.

Feedback to children and young people will be facilitated by the City & County of Swansea Partnerships Team in the following ways:

- Feedback will be circulated to children and young people about final budget decisions with two weeks of sign off; it is estimated that this will take place around 9th March 2016.
- Specific feedback on education input will be provided at the first Pupil Voice Forum which will take place on Wednesday 2nd March 2016; this feedback will be based on indications of budget decisions and ongoing policy decision in this area.
- Specific feedback will be provided to Primary schools pupils following the Pupil Voice Forum on 2nd March 2016.
- Input from young people regarding youth club provision will inform the on-going Commissioning Review of Young People's Services. Specific feedback will be provided through the findings of this.

Results from the CYP budget consultation event

Responses from the Sustainable Swansea workshop that involve questions from the survey are below. The full report will be shared with the senior management responsible for Education and the youth club provision and all other sections mentioned in the responses.

1. Would you prefer to be prepared to pay more for some services rather than lose them?

Yes 26
No 30

Comments

Most agreed and were willing to pay more if the alternative was to lose services, particularly services they use such as leisure and recreation services and youth services.

However, participants were concerned unanimously for poorer families and members of the community who may already struggle to access services. Young people agreed that if services introduce or increase charges, they should always be means tested to ensure that all have access to Council services regardless of their financial situation.

2. Would you prefer for the Council to deliver services in a different way rather than lose them?

Yes 40
No 16

Comments

Participants generally agreed that they would prefer to see services delivered differently rather than lose them although most felt that specific information would be required for particular service changes in order to make an informed decision to answer this question.

20 young people felt that some services should change, particularly in relation to the protection of children. These young people stated that they did not feel safe, particularly after dark and that services should be changed to support people to feel safe in their communities in the evenings.

3. Would you be prepared to pay an additional cost for some social care services from the Council?

Yes 28
No 25

Comments

As in question 1, participants were willing to pay more for services rather than lose them but felt that charges should apply on a means tested basis. Young people agreed this was particularly important in this case as those receiving social care services are likely to be vulnerable.

Draft Equality Impact Assessment (EIA) Statement for City & County of Swansea Budget 2016/17

1. Introduction

This statement provides an overall view of the budget EIA process for the Council, along with any specific relevant details for 2016.

The budget is set for the council's operation which covers a wide range of services delivered to the citizens of the City & County of Swansea. This includes both providing and commissioning of services from other organisations and agencies.

As reported previously, the council has needed to take substantial action to respond to the wide range of service and financial pressures that it faces, including the reduction in external grant.

We, like other local authorities, will be facing a significant reduction in budgets every year for the foreseeable future. We also need to manage increased expectation and demand for services and financial pressures in a number of areas across the Council.

Taken together it means we will need to make at least £80m of savings over the next three years. Change is already taking place and over the last few years the council has cut costs by being more efficient and more effective in what we do. But this is not enough to meet the scale of cuts and ensure council services are sustainable and fit for the future. Clearly, the sheer amount of savings required means that difficult decisions and potential impacts are inevitable. However, we continue to focus on mitigating any adverse impacts via our EIA process as well as officer expertise.

The authority has embarked on a specific strategy 'Sustainable Swansea - Fit for the Future' as a means of setting Council priorities, transforming services and addressing current and future deficits.

The council has agreed a set of budget principles to help guide the debate and provide an approach driven by council policy.

There are four key issues:

- Improving efficiency
- New models of delivery
- Prevention
- Future service provision

Further information on 'Sustainable Swansea - Fit for the Future' is available at: <http://www.swansea.gov.uk/sustainableswansea>

In terms of equality, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the

most vulnerable in our communities. This will continue, although services may be delivered in different ways in future.

2. The Equality Impact Assessment (EIA) process

The council has had an EIA process in place for a number of years which was reviewed and streamlined about six years ago. The process covers:

- The nine protected characteristics covered by the Equality Act 2010
- The Public Sector Equality Duty for Wales
- Consultation and engagement
- Poverty and social exclusion
- Welsh language
- United Nations Convention on the Rights of the Child (UNCRC)
- Carers
- Community cohesion.

In order to apply the EIA process, officers follow the following steps:

- An initial screening exercise (to identify whether a full EIA report is necessary)
- Completion of a full EIA report (where required)
- Quality assurance and feedback
- Sign off at Head of Service level
- Publication on the Council's website
- Review.

Officers have access to dedicated departmental support from members of the Access to Services Team who co-ordinate the quality assurance of EIAs whilst also offering advice and guidance.

The process does not change for specific budget proposals, although additional information is provided to Directors and Heads of Service by way of briefings, reminders and updates.

3. Assessing impact

Due to both the nature of the proposals being considered and the regulatory framework around EIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period. As a result, proposals that were put forward last year are still being worked through, with a number of EIA reports still being worked upon.

Officers are always advised to undertake the initial screening as early as they can, with (if required) a full EIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget EIAs throughout the year.

As a result, the assessment of impact is not a one-off exercise – it is a continuing process.

To ensure an ongoing rigorous process, the following elements are of note:

- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the EIA
- EIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
- Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
- The Access to Services Team is maintaining a log of all EIAs, which includes attempting to record potential cumulative impacts, e.g. negative impacts on certain groups or certain geographical areas
- Where a proposal has potential adverse impacts, officers utilise the EIA process to focus on mitigation
- Where a proposal has potential adverse impacts that cannot be mitigated, the EIA is referred to senior managers for attention and consideration.

During the last 12 months, a number of EIAs have continued to progress following feedback from stakeholders and identification of different options for impact mitigation wherever possible.

In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at this stage of implementation, particularly with the EIA process being a continuing feature as proposals are further developed.

Therefore, we will continue to publish each EIA report as it reaches completion at: <http://www.swansea.gov.uk/eia>

4. Consultation and engagement

Whilst there is a specific regulation around engagement (contained within the Public Sector Equality Duty for Wales), our 'Sustainable Swansea - Fit for the Future' strategy contains a substantial emphasis on consultation and engagement too.

Corporate budget consultation takes place on a wide variety of specific proposals. This includes consultation with children and young people. Others are consulted on using service-specific groups and/or activities.

Corporately, the consultation results are reported separately via the budget reports themselves.

5. Local information

Our stakeholders are:

- All citizens of, and visitors to, the City & County of Swansea
- Council staff
- Partner organisations
- Council Tax Payers.

The Council delivers services to all the citizens of the City & County of Swansea. The overall population profile from the 2011 Census is as follows:

- ❖ The gender split of the **City & County of Swansea** is **50.6% Female** (120,936 people) and **49.4% Male** (118,087 people).
- ❖ Children and young people **aged 0-25 years** represent **32.9%** of the population, or **78,697** people.
- ❖ **Over 50s** represent **36.3%** of the population (86,800 people), of which **42,812** are over 65 (around 17.9% of the total population).
- ❖ **6.0%** of the total population of Swansea (**14,300** people) came from an ethnic minority background. In terms of religion, **8,530** people (**3.6%** of the population) belonged to non-Christian faiths with 34% (81,219 people) having no religion.
- ❖ **23.3% (55,719 people)** had a long term health problem or disability including 11.3% of people of working age (26,988 people). **6.9%** of those aged 16-74 (**12,146 people**) were economically inactive due to long term sickness or disability.
- ❖ In 2011, there were **26,332** Welsh speakers in Swansea, or **11.4%** of the population. **44,659** people had one or more skills in Welsh.



Further information about Swansea's population can be found at <http://www.swansea.gov.uk/keyfacts>

Officers consider the particular service users or groups affected when applying the EIA process.

6. Staffing

Heads of Service have been provided with the same advice as in previous years that where an application is made for early retirement/voluntary redundancy, consideration should be given to whether there is any potential equality impact or effect and, if there is, to follow the EIA process. To date, no concerns have been raised in this area.

7. Third Sector Impact

Any reduction in grants to external bodies may impact Third Sector organisations. There could also be other proposals that may impact the sector which, if agreed, may require re-configuring or re-commissioning of services. In this context there may be opportunities for Third Sector organisations to be involved in this work. There could also be proposals that look to Third Sector support in the continuation of services through different means of delivery.

8. Publication Arrangements

All EIA reports will be published as they are finalised. As mentioned earlier in this statement, due to the nature of many of the proposals this is likely to take time as assessment of impact continues to be undertaken as proposals are further developed.

9. Conclusion

We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that we continue to focus on mitigation wherever possible. In this context the following should be noted:

- where EIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration
- for those EIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed
- the outcomes of engagement will inform the EIAs
- this is an ongoing process and as noted this statement and many EIAs will remain open
- there is a focus on the council doing things differently in order to further deliver services that are flexible, citizen-centred, meet individual needs and are sustainable for the future.

The council continues to deliver a wide range of services for all the citizens of the City & County of Swansea. Many of these are of particular benefit to the areas covered by our EIA process, e.g. the protected characteristics defined within the Equality Act 2010.

As highlighted earlier in this statement, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this increasing challenging commitment given the financial constraints that it faces. However, services may be provided in a different way in line with 'Sustainable Swansea - Fit for the Future'.

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Monday 25 January 2016

Councillor Rob Stewart
City and County of Swansea
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Oystermouth Road
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Dear Councillor Stewart,

School Budget Forum Response to Budget Consultation

As always, the School Budget Forum has sought to support the discussions that have already been held and which will be held over the coming weeks. **As a statutory consultative body, the Forum expects that the points made will be carefully considered as part of any forthcoming corporate discussion of future revenue and capital budgets.** The School Budget Forum represents a considerable body of statutory provision meeting the needs of a great many pupils, families, schools and communities within Swansea.

The School Budget Forum recognises the scale of the continuing financial challenges facing the Council. Nevertheless, it has a responsibility to seek to ensure that the full implications of any budget proposals on schools and the wider education service are properly recognised by the Council before any decisions are taken.

We welcome the positive recognition over recent weeks of the outcomes achieved by schools in Swansea against the relevant benchmarks, together with significantly positive Estyn outcomes and school bandings. These positive outcomes have been achieved in spite of very challenging financial settlements, notwithstanding the Welsh Government uplift guarantees of recent years. These outcomes should be the foundation for future excellence and should not be jeopardised by forthcoming Council budget decisions.

We also welcome the latest proposals to honour the Ministerial funding commitment for the coming year and pass on a cash increase to schools, albeit at a lower level than would be required to meet the cost pressures facing school budgets. So, whilst this still represents a real terms cut for schools, it is considerably better than previous proposals and the Forum is appreciative of the way the Council has listened to its concerns over recent months. Nevertheless, if other Authorities also follow the Ministerial commitment the relative funding position of Swansea schools will at best remain as it is currently.

Swansea schools do not fare well financially. As has been stressed in previous years, they suffer a double blow. The Council can do nothing about the fact that the settlement it receives from the Welsh Government is relatively poor, ranking it around 18th out of the 22 authorities. However, due to choices made by the Council, the education budget as a whole ranks even lower at 20th in 2015, and £350 per pupil less than the Wales average – a difference of around £11.9m. In 2014 Swansea ranked 19th and was £200 per pupil less than the Wales average and has worsened this year as a result of the 5% real terms cut in the delegated budget. Other authorities do better, including the large urban authority of Cardiff.

Schools' funding within Swansea is significantly lower than that of all of our ERW partners, thus putting the city's schools at considerable disadvantage as regionalisation gathers pace.

We have appreciated the positive response in Council Budgets over recent years to some of the recommendations previously made by the Forum, particularly:

- The recognition of the essential contribution of the Education service to the achievement of wider Council priorities
- The recognition of the severe financial pressures facing school delegated budgets and other statutory Education services

Through working closely with the Authority, schools have been better able to manage the significant pressures and increasing expectations placed upon them and to mitigate the effects of large scale redundancies on the Council.

Nevertheless, the impact of further real terms cuts proposed for 2016/17, exacerbated by expected further cuts in specific grants, and the 5% (or £6.3m) real terms cut in 2015/16, presents an extremely challenging position for schools. Schools have become reliant on grant funding to maintain key elements of provision. There is further uncertainty for future years, a cause of concern when set alongside changes in demographics, increasing pupil numbers and growing numbers of pupils with ALN. These pressures come as we enter a period of significant change and challenge for schools as we prepare for the design and implementation of a new curriculum for Wales 'Qualified for Life'.

Significant work has been undertaken previously to model and evaluate the likely serious implications of the potential funding scenarios facing schools. Even with the Ministerial protection for 2016/17, it will be extremely challenging for schools to continue to set a balanced budget each year, whilst continuing to meet their growing range of statutory duties, and further cuts to provision would be necessary which would undermine nursery provision, the local anti-poverty strategy, and wider learning opportunities of pupils. There is clear evidence of increased class sizes, mixed age group classes, nursery classes without qualified teachers and an increase in headteachers' teaching commitment. There will be an inevitable impact on other Council services, particularly where schools provide significant support (for example safeguarding whereby schools provide significant support for social services and health, incurring hidden costs) or find themselves unable to continue to support corporate services through service level agreements.

In short, the Forum is extremely concerned that, given the very poor position of Swansea schools in funding terms, it is difficult to see how further savings of any scale can be achieved. **The Forum urges the Administration to recognise the importance of making proper revenue provision for schools every year as a matter of course**, not merely because it has been required to do so by the Minister. The Forum accepts the proposed areas of additional delegation of funding for 2016/17. It is important to note that additional delegation results in additional responsibilities for schools and headteachers (many of which detract from their core purpose). There are increased charges to schools for new and existing SLAs as central services seek to rationalise their provision and make their own efficiencies.

Non Delegated Education Budgets

The Forum has supported a fundamental review of base budgets during 2013, 2014 and again in 2015 in order to ensure that we have the correct starting points. The Forum still feels that lessons could be learned from the One Education Budget Strategy, both in terms of the transparency of the process and also the rigour of the structured challenge and review undertaken over recent years, which has then been reflected in the Council's Medium Term Financial Plan, and delivered. This continues to require difficult spending choices, challenging savings targets and robust management action, moving towards a largely statutory and regulatory 'core' minimum provision within the department.

As such, the Forum continues to recognise the attempt to develop a more engaging wider corporate budget process, although it feels that the Cabinet Report fails to provide a fully transparent and accurate picture of the potential implications of the proposals. Consequently, it is unlikely that the responses to this stage of public consultation will be adequately informed. Moreover, the Forum has previously expressed concern that the questions asked in the public consultation do not allow for any responses with regard to the potential impact of proposals on education services, whilst encouraging concerns to be raised regarding other areas of Council services, some of which are discretionary. Consequently, the Forum considers the basis of the public consultation to be inadequate and that proper and due weighting should be given to the response from the Forum as it represents the collective views of Swansea's headteachers, schools and governing bodies.

The Forum remains gravely concerned where the proposals would result in drastic cuts to a wide range of services currently provided from the non-delegated Education budget. These are not simply 'management and administration' but provide core support for statutory and regulatory duties of the Council. The Forum urges the Council to bear in mind the pressures on the non-delegated budget when setting the quantum of the education budget as a whole.

The Forum appreciates that no services can be protected from cuts but it does feel strongly that the full implications of the very significant cuts proposed, on top of the existing challenging medium term financial strategy cuts targets, which will impact severely on front line provision for pupils through the inevitable indirect strain on delegated school budgets, need to be recognised and fully transparent. Areas of particular concern include the following:

Behaviour Review Outcomes

- The Forum fully supports changes to the way in which support for pupils is provided to facilitate more flexible earlier intervention, as local as possible. However, it would stress that this is an extremely challenging transformational strategy requiring major cultural change within all schools and *would urge the Council to consider additional funding to facilitate the major cultural and service changes required* - which will deliver major future benefits once these are progressively embedded across all year groups.

Changes to Music Service through restructure, changes in delivery and charges

- The Forum recognises the need to review the service and as far as possible remove the remaining Council funding support, whilst also recognising the valuable learning opportunities that are provided to pupils. It is hoped that any increase in charges will not reduce access for the most disadvantaged pupils.

Review of Ethnic Minority Achievement Service

- The Forum recognises the need to review all areas of current 'subsidy' to such areas of support, and this area in particular in view of the likely loss of Welsh Government funding . However, the Forum would wish to see further detailed discussion prior to implementation of any further changes in order to ensure that the loss of front line support for pupils is as far as possible minimised.

Business Support Review

- Whilst such areas clearly need challenge and further rationalisation, the scale of cuts proposed, on top of progressive cuts over the last 3 years, represent far more than efficiency savings or cuts to 'overheads' and 'management and administration'. Schools recognise the need to work increasingly collaboratively, but the loss of so many areas of professional support will seriously exacerbate the already unmanageable pressures on headteachers. There is clear evidence that applications for headship are decreasing whilst cases of stress within the profession are rising.

Whilst the continuing support for investment in school facilities through the QEd programme is welcome, the vital importance of the Corporate Structural Repair and Maintenance programme cannot be exaggerated with the scale of Health and Safety/compliance issues affecting school premises.

There is a continuing willingness to support and contribute constructively to the further detailed discussion regarding the implications and implementation of budget proposals through the appropriate Task and Finish Groups.

We trust that you will seriously consider these points as you decide future Council budget allocations. We invite you to attend the next School Budget Forum to respond to the issues raised in this letter.



Gethin Sutton
Vice Chair, School Budget Forum