



Report of the Cabinet Member for Children Services

Special Cabinet – 20 February 2020

Gower Activity Centres Budget Proposal 2020/2021

Purpose:	To seek permission to consult on price increases for the Gower Activities Centres through a range of options for consideration for the future operating model of the Gower Activity Centres with a zero based budget in line with the budget proposal for 20/21
Policy Framework:	Medium Term Financial Plan (MTFP) 2019-23, Council Budget 20/21 and <i>Sustainable Swansea – Fit for the Future</i>
Consultation:	Access to Services, Finance, Legal
Recommendation(s):	It is recommended that: <ol style="list-style-type: none">1) The proposals outlined are approved for consultation as below:2) Proposal 1 - Remove ALL subsidies for Swansea Schools and for pupils on Free School Meals (FSM) and put in place a more commercial price based on current market rates, and open up the offer wider than just Swansea schools (Public Consultation)3) Proposal 2 - A further staffing restructure to amalgamate posts and utilise seasonal/relief staff when required (Internal Consultation)
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1. Introduction

- 1.1 The Gower Activity Centres provide educational outdoor activities for children, young people and their families in Swansea as well as operating as a commercial venture.
- 1.2 The core budget of the Gower Activity Centres is identified as part of the “Sustainable Swansea Four Year Transformation Programme aligned to the MTFP 2019-23” to move toward a zero based budget.
- 1.3 In order to achieve this it is necessary to review the pricing and operating model for the Gower Activities Centre to enable the continued operation and sustainability for the future.

2. Background

- 2.1 In 2016 a Commissioning Review was undertaken on the Gower Activity Centres and the core purpose of the Gower Activity Centres, agreed through the commissioning review as;

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

Following an option appraisal as part of the Commissioning Review the preferred option for implementation agreed outlined a new model of delivery to;

- Transform in house with phased implementation of a staff restructure, closure of 1 site, Dan-y-coed due to the backlog of maintenance issues, and seek an alternative operating model for the future;
 - Appoint a centre manager to have overall control of the centres and to drive forward change and review the vision and strategic business plan.
- 2.2 In 2015/16 the base budget for the centres was 493K, as a result of implementation of the recommendation of the Commissioning Review this was significantly reduced, after the disposal of the Dan-y-coed site, a staffing restructure and implementation of a new operating model.
 - 2.3 However, income generated has significantly increased over the years, whilst core budget has reduced.
 - 2.4 At the time of the Commissioning Review it was noted that to get to a zero base budget the subsidised places for Schools and for children and young people attending the centres who are in receipt of free school meals would need to be removed.
 - 2.5 Feasibility studies around outsourcing and partnership opportunities have been explored, however this is difficult to realise and there are risks around

this due to the fact that there are covenants in place at both Ty Borfa and Ty Rhossili Centres.

3. Current Offer and Financial Position in 19/20

- 3.1 Gower Activity Centres is comprised of two residential facilities, Tŷ Borfa in Port Eynon and Tŷ Rhossili in Middleton. Both centres provide positive life enhancing experiences to a broad section of children, young people and families across Swansea. The size and bed count of the centres informs the main differences of usage between them.
- 3.2 **Tŷ Borfa** is the largest of the centres with a bed count of 38 beds including a mix of private leader rooms and is therefore ideal for use with large groups and in particular school residential booking. Offering full week and split week fully catered residential trips between February and November with an average take up of over 30 local schools. The centre is also available at weekends where it is used by a mix of commercial customers and internal departments, however the majority of bookings come via Gower Activity Centres enterprise partnership with the Youth Hostel Association (YHA). Lastly, the centre is primarily used during school holidays by youth service departments as Tŷ Borfa is big enough to enable more than one family to come away together and to house all the necessary staff and break out spaces for a multi-family residential.
- 3.3 **Tŷ Rhossili** is a 12-bed centre more in keeping with the sort of accommodation in demand within its locality. It also is available to schools who want to take away small groups on a self-catering basis (more likely to be comprehensive schools). Also due to its smaller bed count it can be utilised by the Edge of Care Child and Family teams for group and family work/residential as well as offering respite opportunities to service users. Gower Activity Centres due to its enterprise partnership with the Youth Hostel Association (YHA) will also derive bookings for Tŷ Rhossili throughout the year, mainly during weekends and school holidays. The centre is also listed on other small group booking websites in an aim to capture the wide cross section of potential users. Lastly, the centre is utilised as a venue for bespoke events, training, and partnership opportunities due to the high demand because of the location that 'Rhossili' holds as a destination.
- 3.4 The financial position for 19/20 predicts a slight overspend circa £5k. Mitigating action has already been taken to address overspend with a staffing restructure completed in November 2019 and increased pricing structure. Both of these factors has significantly reduced this a predicted overspend in year.
- 3.5 The income target set for 19/20 was £280k, at outturn the income is predicted at circa £254k, which is £26k short of the target. This is because predicted income at the Ty Borfa site was based on the site being able to cater for larger groups by placing pods on the site. After much work

investigating this proposal, it was not possible to proceed due to planning permission.

3.6 The capital funds allocated for pods was then utilised to make small internal adaptations to the site (converting office space to bedrooms) so the site can house 40 beds, this work is still underway but will be finished by the end of this financial year and will increase the capacity for bookings on this site.

3.7 The financial outlook for 19/20 is summarised in the table below:

	Actual spend (end Nov19)	Predicted spend (Dec 19 – Mar 20)	Total	Income Target	Income target shortfall
Core Budget 19/20			£180,000		
Expenditure 19/20	£308,057	£131,347	£439,404		
Income 19/20	£206,336	£48,049	£254,385	£280,000	£25,615
Predicted Overspend			£5,019		

**The financial detail above is for both Ty Borfa and Ty Rhossili Centres*

4. Future Offer and Financial Position 20/21

4.1 The core budget of the Gower Activity Centres is identified as part of the “Sustainable Swansea Four Year Transformation Programme aligned to the MTFP 2019-23” to move toward a zero based budget.

4.2 In order to achieve this below outlines:

- Predicted financial position for 20/21 with a zero based budget
- Proposals to facilitate this process in order to expedite the timeline for achieving the removal in core funding for this area.

4.3 The financial position for 20/21 is outlined in the table below. The following assumptions have been applied to arrive at these figures:

- Staffing is predicted on same basis as 19/20
- Predicted income for 20/21 assumes a 5% increase per head, plus increased minimum occupancy
- Completion of new commercial centre price at 38 beds at Ty Borfa
- 30% free school meal contingent factored into school bookings
- Income is based on 80% annual occupancy (term prices apply)
- Holiday income is based on prior period figures for 19/20

Gower Activities Centres	Indicative Budget 20/21
Employee Costs	£332,000
Premises Costs	£22,000
Transport Costs	£15,000
Supplies & Services Costs	£36,000
Total costs	£405,000
Borfa Income	£226,000
Rhossili Income	£37,000
Activities Income	£43,000
Total income	£306,000
Income shortfall	£99,000

****The financial detail above is for both Ty Borfa and Ty Rhossili Centres***

4.4 In order to achieve a balanced budget for 20/21, with no core budget available, income would need to be increased by circa £99k.

5. Proposals to address Budget Gap 20/21

5.1 In order to close the budget gap for 20/21 and run the centres in line with their core purpose, ***providing educational outdoor activity opportunities for children, young people, families and schools on the Gower in a sustainable way***, the table below outlines a number of proposals for consultation.

5.2 We will undertake a full consultation on these proposals, the consultation plan is as follows:

- Undertaking a **Public Survey** on the proposals
- **Consultation with specific groups.** We will consult a number of impacted groups including children and young people and Schools
- **Staff consultation.** We will specifically consult staff potentially impacted by the proposals

5.3 The consultation will run for four weeks and we will write out to schools directly, promote and communicate the consultation via website and Social media.

Proposals to close the budget gap for 20/21 and provide sustainability for the future delivery model

Proposal 1 - Remove ALL subsidies for Swansea Schools and for pupils on Free School Meals and put in place a more commercial price based on current market rates, which would be competitive and increase prices accordingly. This would include opening up the offer wider than just Swansea schools. (See table 1 for details on financial impact of this)

Proposal 2 – A further staffing restructure to amalgamate posts and utilise seasonal/relief staff when required

5.4 It is worth noting that not all of the schools in Swansea use the Centres, only 30 schools are regular users of the Centres. School visitor figures per annum are roughly 870, with 115 FSM visitors (approximately 13%)

5.5 **Table 1** - Current school prices are as below with proposed increase aligned with market price (although slightly below, maintaining a competitive edge)

Current Prices (Full Week)	Proposed Prices – ALL (Full Week)	Increase
Autumn (Sept - Dec) £179 Spring (Jan - Mar) £188 Summer (Apr-Jul) £197	Autumn (Sept - Dec) - £200 Spring (Jan - Mar) - £225 Summer (Apr-Jul) - £250	£21 £37 £53
Current Prices FSM (Full Week)	Proposed Prices – ALL (Full Week)	Increase
Autumn (Sept - Dec) £103 Spring (Jan - Mar) £112 Summer (Apr-Jul) £122	Autumn (Sept - Dec) - £200 Spring (Jan - Mar) - £225 Summer (Apr-Jul) - £250	£97 £113 £128

5.6 Market competition from other providers in the area that are used by Swansea Schools are as follows:

- Pendine Outdoor Education Centre (Carmarthenshire)
- Kilvrough Manor (Gower)
- Down to Earth (Gower) - expensive and offer very few AALA licensed activities
- Urdd (Llangranog) - just received 1 million for refurbishment but has waiting lists
- Urdd (Cardiff) - urban experience, non-traditional outdoor education experience
- Call of the Wild Training Centre (Brecon)
- Stackpole National Trust Outdoor Learning (Pembrokeshire)
- Margam Park Outdoor Activities (Neath Port Talbot)

5.7 Gower Activity Centres has a place in the market as it is small, affordable, and accessible and value for money for the programmes they offer.

5.8 A week's price for any of the above is between £250 - £400 depending on package selection. The suggested prices have purposely tried to come in under or at the very base of market value to try and maintain an incentive for schools to select the Gower Activities Centres.

5.9 Schools have the capability and choice on how they pass on school trip costs to families. They can utilise Pupil Development Grant (PDG) money, and a whole range of other methods to pay for their residential trips.

5.10 **The Pupil Development Grant - Access** makes available £125 to buy school uniform, equipment, sports kit and kit for activities outside of school for children and young people. Learners eligible for free school meals can apply for this grant for the 2019/20 school year, if they are:

- entering reception class or year 3 in primary school
- entering year 7 or year 10 in secondary school
- aged 4, 7, 11 or 14 in special schools, special needs resource bases or pupil referral units

For Year 7 learners the grant is £200, recognising the increased costs associated with starting secondary school.

Funding for looked-after children is available in every school year

6. Equality and Engagement Implications

6.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

6.2 An EIA Screening Form has been completed with the agreed outcome that a full EIA report is required and full consultation on the proposal.

6.3 A full EIA report has been opened and will be completed and updated following consultation

7. Financial Implications

7.1 If the options outlined in section 5 are not applied the budget will overspend and not achieve the saving in the MTPF

8. Legal Implications

8.1 There are covenants in place at both Borfa House and Rhossili Centre restricting solely commercial activity. Both centres must fulfil their core purpose, which is for Educational Outdoor Pursuits. At Borfa there is a

specific covenant to prevent the property being used as a guest house or hotel.

- 8.2 There is a further covenant on both Borfa and Rhossili to 'not cause nuisance or annoyance'. Such covenants have been held to be far reaching and can be used to prevent extensions, noise, increased volume of traffic etc. Essentially anything that could be considered as such.
- 8.3 The above restrictions limits the options available to the Gower Activity Centres to move towards a zero based budget. A review of the pricing and operating model of the Centres will facilitate a legally compliant route to achieve the Council's financial ambitions for the Centres, under the Medium Term Financial Plan 2019-23, Council Budget 20/21 and *Sustainable Swansea - Fit for the Future*.

Background Papers: None

Appendices:

Appendix A EIA Screening