

SUBJECT:	OUTDOOR EDUCATION – SERVICE CHANGE PROPOSALS
MEETING:	ECONOMY AND DEVELOPMENT SELECT COMMITTEE
DATE:	18th DECEMBER 2018
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To consider the dissolution of the Gwent Outdoor Education Service partnership for which the Council is the lead partner, working with Blaenau Gwent County Borough Council (BGCBC), Newport City Council (NCC) and Torfaen County Borough Council (TCBC) further to the withdrawal of partner subsidy.
- 1.2 To consider the closure of the Talybont Site, returning the site to Newport City Council for disposal, and subsequently to consider the associated staff redundancies if suitable redeployment cannot be found.
- 1.3 To engage Select Committee Members in initial ideas on future opportunities for service delivery and to receive a presentation from the Service with a view to return when detailed plans are complete.

2. RECOMMENDATIONS:

- 2.1 To consider the approval of the dissolution of the Gwent Outdoor Education Service Partnership with effect from 31st March 2019.
- 2.2 To consider the formal closure of the Talybont site on 1st Feb 2019 returning the site to Newport City Council with effect from 28th Feb 2019.
- 2.3 To consider the approval of the deletion of two posts i.e. Talybont Site Co-ordinator – Staffing and Environment Education and the site Cook and to approve corresponding redundancy payments, if suitable redeployment cannot be found.

3. KEY ISSUES:

- 3.1 Gwent Outdoor Education Service (GOES) has existed since 1970 with a remit to provide outdoor education. The service operates across three residential centres at Hilston Park near Monmouth, Gilwern and Talybont (in Powys). The Council operate and manage GOES on behalf of the partner authorities i.e. BGCBC, NCC and TCBC, the Council own the Hilston Park and Gilwern sites whilst NCC own the Talybont centre.
- 3.2 The service currently provides around 20,000 visitor days annually, the vast majority being residential school groups from South East Wales. Around 90% of clients are regular, repeat users and the service also works with adult and youth groups from all over the UK. All groups are provided with bespoke programmes designed to achieve their specific desired outcome including confidence building, self-reliance, team development, enjoyment, activity skills, risk management and environmental awareness.

- 3.3 Post local government reorganisation in 1996, the joint service was supported by annual subsidies from the four Local Authority partners which were derived from an agreement between partners to reduce the cost of residential trips for low income families. Core funding was frozen from all partners in 2006 at which time the subsidies were supporting approximately 50% of service running costs, since then fees to clients have increased above inflation to compensate for the reduction in core funding.
- 3.4 NCC were originally part of GOES, hence their ownership of the Talybont Centre, however in 2013 they took a decision to withdraw from the Shared Service Agreement and subsidy arrangements due to financial reasons. Talybont Centre has been subject to a joint Sport Wales award with the Council towards major capital redevelopment but recent discussions with Big Lottery have now resulted in the withdrawal of the conditions of the original grant which may otherwise have hampered the disposal of the site.
- 3.5 In 2016, TCBC took a formal decision to apply a tapering reduction in subsidy for 2016/17 reducing to nil subsidy in 2017/18. BGCBC have also reduced their subsidy by a small amount but with the backdrop of public sector austerity, it would appear to be a question of 'when' rather than 'if' they withdraw. Table 1 demonstrates the levels of subsidy withdrawal over the last seven years.

Table One: Levels of Subsidy Withdrawal

Total Contribution	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
NCC	78,708	0	0	0	0	0
TCBC	107,943	107,943	107,943	107,943	44,943	0
BGCBC	74,925	74,925	74,925	74,925	62,925	55,730
Monmouthshire	81,275	81,275	81,275	56,580	56,580	56,580
Total	342,851	264,143	264,143	239,448	164,448	112,310

- 3.6 Tables Two and Three demonstrate the financial position for previous years. The figures indicate that since 2013/14 the Service has operated at a small profit until 2017/18 when income levels dropped slightly. However, this does not include the cost of building maintenance, grounds maintenance or insurances and if included with the direct costs of delivering the service, the service has operated at a deficit for four out of the last five years. This illustration does not include any maintenance costs incurred by Newport CC in maintaining Talybont. Financial performance predictions for 2018/19 indicate a net overspending in the region of £50,000 and this increases further if account is taken of the future ongoing maintenance costs.

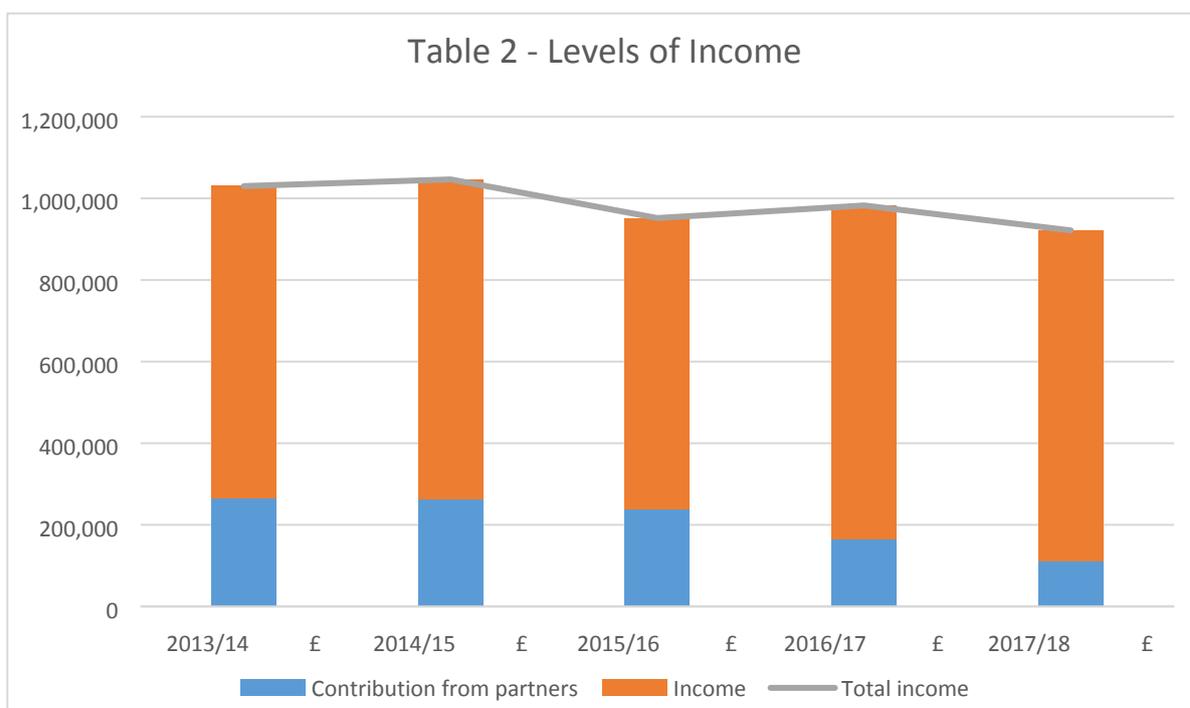


Table Three – Total Costs Service

	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Total Direct Costs					
Employee	644,693	627,865	590,212	599,208	627,026
Premises	122,941	102,732	79,707	106,074	112,549
Transport	67,319	56,043	49,975	54,582	56,030
Supplies & services	170,391	208,053	228,631	204,146	169,605
Total expenditure	1,005,344	994,694	948,525	964,010	965,210
Contribution from partners	-264,143	-264,143	-239,448	-164,448	-112,310
Income	-765,893	-782,233	-712,268	-818,110	-809,058
Total income	-1,030,036	-1,046,376	-951,716	-982,558	-921,368
Net Total	-24,692	-51,682	-3,192	-18,547	43,842
Building and Grounds Maintenance	107,615	42,375	28,855	27,308	41,857
Insurances	1,517	329	290	0	0
Net Deficit (profit)	84,440	-8,978	25,954	8,760	85,699

- 3.7 Despite a reduced subsidy, the Service has managed to maintain reasonable income levels through a variety of measures. Although there was a lack of significant reduction in Newport bookings following their subsidy withdrawal suggesting withdrawal of subsidies may not adversely affect bookings levels, given the reduction in subsidy for 17/18 and the likelihood that it will continue to be eroded, the service now needs to review its operating practices and consider how it can operate in the future. Given the withdrawal of partners, the Shared Service Agreement now needs to be brought formally to a close and subject to approval, the agreement will be terminated with effect from 31st March 2019.
- 3.8 The original Shared Service Agreement with the partner Authorities provides clear guidance following the withdrawal from the service or the termination of the agreement. Hilston and Gilwern sites are owned by the Council and therefore remain with the Authority. As Talybont is owned by

NCC, it will be returned to them. Discussions have been held with NCC regarding the long term future use of the building and they have indicated that they wish to sell the building. The return of the Talybont site to NCC will result in the loss of two posts at Talybont and subsequently, redundancy costs. The service currently provided at Talybont will be re-provisioned at one of the other sites where possible.

- 3.9 The Agreement also states that should it become necessary for the host authority to make a redundancy payment, the Authorities should make a fair and reasonable contribution to those costs however it is anticipated that this be met from the service budget.
- 3.10 Tourism, Leisure, Cultural and Youth (TLCY) services are looking to become more entrepreneurial and business like and as these services overlap and touch so many services and functions, it is difficult to consider them in isolation. In view of the links and inter-dependencies at a service-wide and local level, these services are to be run as a family of services, relying upon one another for promotion, support and optimal operation. This will therefore open up new possibilities for service design and delivery particularly in terms of exploring new markets particularly if the proposed new Alternative Delivery Model for the services, MonLife, is approved by Council in 2019. The Council's Outdoor Education Service must therefore now consider new approaches to delivery which is likely to result in a restructure of the service to be considered by Members in due course.
- 3.11 Currently, the Outdoor Education service operates from three sites but is not operating at full capacity. It therefore makes sense to concentrate efforts on the two Council owned sites by reviewing staff structures, improving efficiency, increasing income and identifying potential new markets. Operating the TLCY service model differently will enable the service to be more focussed on outcomes rather than the mechanisms through which service delivery is organised. The provision of Outdoor Education will be provided as part of the Leisure, Recreation and Outdoor Learning offer. Existing bookings at the Talybont Centre will be offered alternative bookings at either the Hilston or Gilwern Sites or given a refund of their deposits.
- 3.12 It is anticipated that the existing site co-ordinators in conjunction with the Head of Leisure, Tourism, Culture and Youth Service, will review the existing staffing structure across the sites and restructure the service to best respond to the new challenges ahead. Current operating practices will be reviewed with a view to reducing costs and maximising income. Critical success factors in this include achieving economies of scale, cross subsidisation and obtaining mutual support.
- 3.13 A review of the Outdoor Education Service was undertaken in 2015 which was updated in 2018. This will form the basis of an action Plan which will be focussed on income generation and service redesign proposals for 2019 onwards to be considered in due course as shown in appendix A

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

- 4.1 Summarised below for Members' consideration from Future Generations Evaluation located in Appendix C:

'The service in its current three site format needed review for both financial and practical reasons to ensure it is sustainable and continues to provide a quality service across the remaining two sites. By its very nature the service has continued to provide quality outdoor learning experiences, jobs and new skills – the service will continue to deliver this whilst also ensuring the facilities and activities deliver positive outcomes for all'.

5. OPTIONS APPRAISAL

Option	Benefits	Risks
Do nothing	None identified	<ul style="list-style-type: none"> • With the withdrawal of funding the partnership is no longer sustainable in its current form and the Service Level Agreement is no longer appropriate. • The Talybont Site is not owned by the Council therefore problematic to invest future capital. • Staff will be made redundant if alternative employment cannot be found.
Dissolve the Partnership	<ul style="list-style-type: none"> • With the withdrawal of funding the partnership is no longer viable therefore the Service Level Agreement can be cancelled without financial recourse. 	<ul style="list-style-type: none"> • A long period of negotiation with the partners has mitigated any financial and reputational risks.
Close the Talybont Site and delete the two staffing posts	<ul style="list-style-type: none"> • The Site is owned by NCC therefore there is no financial risk to the Council. • There is an opportunity to redeploy the staff into the wider Service. 	<ul style="list-style-type: none"> • It may not be possible to redeploy the staff and redundancy payments may be incurred however the cost can be met from service budgets.

6. EVALUATION CRITERIA

- 6.1 The evaluation assessment has been included in Appendix B for future evaluation of whether the decision has been successfully implemented. The decision will be evaluated by Economy and Development Select Committee, which will make recommendations regarding any proposed changes to Cabinet. The proposals for the service redesign will be considered as part of the business plan that it is being developed for the proposed Alternative Delivery Model for TLCY i.e. MonLife. Any future decisions regarding the Service redesign will therefore be scrutinised by Economy and Development Committee or by the Board of MonLife depending upon the outcome of the final decision regarding the operationalisation of MonLife.

7 REASONS:

- 7.1 Further to the withdrawal of funding subsidies over recent years the Gwent Outdoor Education Service partnership is no longer sustainable in its current form. The Shared Service Agreement with the partner Authorities provides clear guidance following the withdrawal from the service or the termination of the agreement. Hilston and Gilwern sites are owned by the Council and therefore remain with the Authority. As Talybont is owned by NCC, it will be returned to them to instigate closure and subsequently sale of the building.
- 7.2 The closure of Talybont will result in the existing service at this site being re-provisioned across Hilston and Gilwern where possible and the loss of two posts. The re-provisioning of the current Talybont service provides an opportunity to review the existing staffing structure across the sites and restructure the service to best respond to the new challenges ahead.

8 RESOURCE IMPLICATIONS:

- 8.1 Costs arising from the two redundancies which will be circa £30k and will be funded from service budgets.

9 CONSULTTEES:

Blaenau Gwent County Borough Council (BGCBC);
Newport City Council (NCC);
Torfaen County Borough Council (TCBC)
Economy and Development Select Committee Members
Cabinet Members
SLT
Service area staff

10 BACKGROUND PAPERS:

Appendix A – Future Income Generating Ideas
Appendix B - Evaluation Criteria
Appendix C - EQIA

11 AUTHOR:

Ian Saunders – Head of Tourism, Leisure, Culture and Youth
Ian Kennett – Head of Gwent Outdoor Education service
Richard Simpkins – Business Manager TLCY

12 CONTACT DETAILS:

iansaunders@monmouthshire.gov.uk - 07876 545793
iankennett@monmouthshire.gov.uk - 07768 880814
richardsimpkins@monmouthshire.gov.uk – 07884 061183

Appendix B – Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Title of Report:	OUTDOOR EDUCATION – SERVICE CHANGE PROPOSALS
Date decision was made:	18th December 2018
Report Author:	Ian Saunders, Ian Kennett

What will happen as a result of this decision being approved by Cabinet or Council?

Gwent Outdoor Education Service partnership will be dissolved and the Service Level Agreement annulled. Talybont Centre will be returned to Newport and the service offer re-provisioned with the service offer at Hilston and Gilwern centres where possible. The two posts at Talybont will be deleted and the staff either re-deployed or redundancy payments made.

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?

Talybont Centre will be returned to Newport, the service re-provisioned and the staff re-deployed. The existing staffing structure across the sites will be reviewed and the service restructured to ensure the service can best respond to the new challenges ahead.

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

The cost of the decision will involve possible redundancies which at this stage is estimated at 30k. The service will manage the cost of redundancy should this be necessary.