

Wiltshire Council

Cabinet

27 March 2018

Report of the Traded Services for Schools Task Group on Outdoor Education

Purpose

1. To present the findings of the Traded Services for Schools Task Group regarding the review of Outdoor Education undertaken by the Council and the evidence presented to Cabinet.
2. It should be noted that this report has been written to be included with a Part II Cabinet report and, as such, included information which was provided confidentially. Therefore, this report should be reviewed before it is made public.

Background

3. During the 13 June 2017 meeting of the Children's Select Committee, Cllr Laura Mayes, Cabinet Member for Children, Education and Skills asked if the Committee would consider looking into Traded Services for Schools.
4. Two Rapid Scrutiny exercises were undertaken on 13 September and 18 October 2017. The findings from these two meetings were respectively reported to the Overview and Scrutiny Management Select Committee on 26 September 2017 (access report [here](#)) and Children's Select Committee on 31 October 2017 (access report [here](#)).
5. The committees agreed the establishment and commencement of the Traded Services for Schools Task Group (thereafter referred to as "the task group"), to complete its work within 9 months, and asked the members of the task group to perform a separate scrutiny exercise looking at Outdoor Education.

Membership

6. The opportunity to take part in the Rapid Scrutiny exercise was offered to all non-executive members of the council. The membership of the two Rapid Scrutiny exercises transferred to the task group:

Mr John Hawkins, Chairman of the Task Group
Cllr Trevor Carbin
Cllr Anna Cuthbert
Cllr Jon Hubbard
Cllr Tony Jackson

7. Prior to the start of the task group Cllr Anna Cuthbert had to resign her membership of the task group due to conflicting work commitments. Members of the task group wished to thank Cllr Anna Cuthbert for her valuable contribution to the Rapid Scrutiny exercise she had chaired.

Terms of Reference

8. The following terms of reference were agreed by the task group at its inaugural meeting on 7 February 2018, and will be presented to Children’s Select Committee on 17 April 2018 for approval:

I. To review the proposed developments for traded services to schools, considering the outcomes of the service review of traded services (commenced in October 2016), with a particular focus on the following areas:

- a) The model for the centralised trading unit and the proposed traded services team structure and appointments to ensure sustainability and quality of service;
- b) The cost of services that are currently provided against projected costs to ensure value for money;
- c) The plans for marketing to ensure continuous take-up;
- d) The current policy;
- e) How traded services will be future-proofed.

II. To review and comment on the Cabinet report regarding the proposals for the future of outdoor education in Wiltshire, with particular focus on the evidence-based analysis that led to the options presented within the report. Comments from the task group will be presented to Cabinet at the same meeting at which the report is considered (currently scheduled for 27 March 2018).

Evidence gathering

9. The task group met on 7 February 2018 to consider the draft report of the findings of the traded services’ review of Outdoor Education, to be presented to Cabinet on 27 March 2018.
10. The task group resolved to undertake site visits of the two council-owned outdoor education centres, and consequently visited Braeside and Oxenwood (thereafter named “the centres”) on 27 February 2018.
11. The task group is grateful to the following witnesses who contributed to its review of Outdoor Education:

Keith Browning	Centre Manager, Braeside Education & Conference Centre
Nick Cave	Interim Traded Services Director
David Clarke	Head of School Effectiveness Commissioning, Performance and School Effectiveness
Tom Davies	Deputy Centre Manager, Oxenwood
Cllr Laura Mayes	Cabinet Member for Children, Education and Skills
Yousaf Mirza	Head of Education, Braeside Education & Conference Centre

Mal Munday	Head of Service, Support and Safeguarding, Early Help
Ed Plank	Centre Manager, Oxenwood
Alan Stubbersfield	Interim Director Education & Skills AM, Education and Skills
Cllr Philip Whalley	Portfolio Holder for Education and Skills
Elizabeth Williams	Head of Finance Care, Finance & Procurement

12. The Task Group also considered the evidence and information provided for the two Rapid Scrutiny exercises, as well as the reports presenting the findings for the two meetings. The task group would also like to thank the following witnesses who contributed to these exercises:

Grant Davis	Strategic Financial Support Manager.
Michael Hudson	Associate Director for Finance

Key findings regarding the draft Cabinet report

13. The meeting of the task group on 7 February 2018 was focused on the report to be presented to Cabinet on 27 March 2018.

14. It was accepted that this was a draft report and that further information may be added by the time the report was presented to Cabinet. Where appropriate the task group has indicated the information it believed should be included to enable Cabinet to make a fully informed decision based on strong evidence. These were circulated to the report's author and Cabinet Member prior to the publication of the Cabinet's agenda.

15. It should be noted that the report the task group considered **did not include a recommended option for Cabinet or any details of the covenants on the centres.**

16. Following the 7 February 2018 meeting it was noted by members of the task group that the budget papers, in the "Summary of Savings and Income Proposals (page 6 of 10) listed savings of £0.135m through "proposal to be brought to Cabinet to consider review of Outdoor Education Centres", however the budget papers included no further details on how these savings would be achieved.

Overall

17. The costs and risks for each option should be more detailed and presented in a single table, which would make the advantages and risks of each option more apparent.

18. Further details on costs to be included (known costs or estimates) for Options 3 and 4 are listed in paragraphs 24 and 25 of this report.

Option 1: retain and operate

19. The parameters of the modelling should be clearly stated, as the task group was informed that the modelling was "based on 48 weeks per year and excluding weekends".

20. The price increases in the report had been calculated against residential prices only and been modelled on a 10-year return of capital spend only (without interest or finance cost). They did not account for future cost pressures or requirement to generate a surplus. The modelling should take into account the forecasted yearly maintenance costs for the centres, and any other cost pressures, and should also calculate the occupancy and price increase needed to achieve at least cost recovery.

Option 2: transfer centres and / or operations to a third party

21. It was accepted that, as there had not yet been firm interest by a third party in taking on the management of the centres and / or operations, it had not been possible to assess or cost option 2.

22. However, Community First had expressed an interest in Oxenwood with the condition that it was as a Community Asset Transfer.

23. Should there be any confirmed interest from a third party then the potential costs and risks associated with this option should be detailed in the Cabinet report.

Option 3: close both centres

24. The task group concluded that it was crucial for the following information to be included in the Cabinet report:

- a. an estimate of the potential costs, and risks, associated with the covenants on the centres;
- b. costs of redundancies and pensions, especially as the options for re-deployment of the contracted members of staff affected had not yet been fully explored and some of the "Zero Hours Contract" members of staff may be entitled to redundancy due to their length of service.
- c. any other predictable exit costs (e.g. cancelling bookings, etc.).
- d. potential costs and risks (both "physical" and reputational) of closure where the buildings would no longer be used but would remain in the council's ownership.

Option 4: Close one site only (Oxenwood)

25. The task group felt that the same information should be in the report for this option as for Option 3:

- a. an estimate of the potential costs, and risks, associated with the covenants on the centre;
- b. costs of redundancies and pensions, especially as the options for re-deployment for the contracted members of staff affected had not yet been fully explored and some of the "Zero Hours Contract" members of staff may be entitled to redundancy due to their length of service.
- c. any other predictable exit costs (e.g. cancelling bookings, etc.).

- d. potential costs and risks (both “physical” and reputational) of closure where the building would no longer be used but would remain in the council’s ownership.

Key findings regarding the options proposed within the Cabinet report

26. At the Rapid Scrutiny meeting on 13 September 2017, the draft scope for the service’s review of outdoor education in Wiltshire was presented as follows by the Traded Services team:

“The review should be designed to establish the future of outdoor education in Wiltshire, and as such should be broad in nature to include:

- How outdoor education can best contribute to council aims and specific targets such as increasing educational attainment of “free School Meal” pupils and improving readiness for school by supporting early years provision.
- Review of current utilisation including downtime during school holidays and winter months, actual costs and prices, and capacity for growth.
- Risks and potential learning from private sector competition including service offers, utilisation and benchmarking of costs.
- Research on approach taken by other councils to avoid pitfalls and utilise learning.
- Potential to attract business from a wider market to increase sales through a national marketing strategy.
- Options for different models such as charitable trust, Community Interest Company, partnership, or closing council run facilities and brokering provision from other providers. This will require soft market testing to establish market interest.”

Option 1: retain and operate

27. It was noted that operational profit could be achieved, at least at Braeside for 2017-18, even with the current provisions of activities and accommodation.

28. Based on the evidence from the service’s review of Outdoor Education that the task group received, it could not conclude that the Council had adequately assessed whether this option (retain and operate) could be commercially viable.

29. It was recognised by the task group that there could be a significant cost, especially in officers’ time, in assessing the viability of this option.

30. However, the task group regretted that the Council had not undertaken, or at least established feasibility in terms of cost and officers’ time of undertaking, the research listed below to assess the viability of Option 1 (retain and operate).

a. Staffing analysis:

The task group was informed that the centres had “historically” been aligned to two distinct services within the council, with distinct line management, and operated individually. There were also concerns raised over the sustainability of using “Zero Hours contracts”.

- i. To establish whether efficiency savings could be achieved by realigning the two centres to a single line of management within the council.
 - ii. To explore whether any savings could be realised through the sharing of contracted staff members between the two centres.
 - iii. To analyse the difference in cost should staff be moved from “Zero Hours contracts” to annualised hours contracts.

- b. Market analysis:
 - i. why are the centres used (feedback from **all** current customers), what is it the centres provide / offer which meant they were chosen;
 - ii. survey of “non-schools” customers who had previously booked but did not book in 2017-18; establish why and what (if anything) they are now using;
 - iii. survey of Wiltshire schools not using the centres in 2017-18; why are they not using the centres, what are they using instead, what would make them use the centres. This would also be an “advertising” opportunity of the fact that the centres are suitable for both primary and secondary schools, although it is anticipated that there may be a low return from schools therefore should only be undertaken if the cost was minimal.
 - iv. Researching Unique Selling Points for both centres - not competing with “high thrill” activities but specialising in activities that the sites can support, considering their limitations.
 - v. Further analyse specialising in provision for vulnerable children and young people and any other customers “matching” the centres’ Unique Selling Points. This would include research on cost in terms of training for or recruitment of “specialised” staff members, as well as research in potential partnership with organisations such as the Wiltshire Outdoor Learning Team which specialised in working with young people with challenging behaviour. The task group was aware of the analysis undertaken by Richard Williams in December 2015 to consider the viability of increasing Oxenwood’s booking by 25% for vulnerable children and this should be taken into consideration, bearing in mind it was now 3 years old.
 - vi. Research on approach taken by other councils to provide or support outdoor education to avoid pitfalls and utilise learning.

- c. Advertising analysis:
 - i. Research cost and value of regional and national advertising campaigns.
 - ii. Research cost and value of increased on-line presence: a professionally designed website for the centres, social medias, etc. It was noted that both centres were advertised on “Right Choice for schools” (traded services’ online platform).
 - iii. Research in potential to increase sales by attracting business from a wider market.

- d. Investment analysis:
 - i. What investment(s) in buildings, equipment, staff training, etc. based on the market and advertising analysis would be required to enable the centres to become commercially viable. The investment in buildings would be informed by the condition survey which was carried out on both properties by CIPFA in 2012. The surveys identified capital works required to maintain the buildings in the short, medium and long term, up to a 25-year period.

- ii. The value of the investment would have to be recovered by the centres and would require further modelling of recovery through increase in price and / or occupancy.
 - iii. Establish the cost and work required to regain a Quality Mark accreditation for Oxenwood (“*The Quality Mark for schools was developed in 1996, and updated in 2007, to provide a framework that would promote, support and celebrate the improvement of literacy, language and mathematics, sometimes also referred to as ‘basic’ or ‘functional’ skills*” – source Quality Mark alliance website) and any other accreditation(s) which could increase occupancy by providing nationally recognised assurance of quality.
 - iv. To establish a very clear financial picture for the centres; this would include true cost of the centres (for example maintenance, staffing costs, running costs, capital works, marketing budgets, and breakdown of corporate re-charge).
- e. Land
- i. To further explore the possibility of renting or acquiring land adjacent to the building at Oxenwood to remove the issue of being a split site and children having to cross a road to access the playing field; bearing in mind this could enable the council to rent or sale the land currently used as a playing field. This would also address the issue of “good will” access to nearby woods, which were unavailable during the pheasant shooting season (1 October - 1 February, *source Game and Wildlife Conservation Trust*).
 - ii. To explore options to consolidate or formalise access to adjacent lands and woods at Braeside to guarantee that the activities advertised can be accessed.

Option 2: transfer centres and / or operations to a third party

31. The task group was informed that initial discussions had been held with **a small number** of private sector organisations to explore the possibility of sale or partnership and that feedback to date had indicated that, due to the limited bed capacity at both sites, private sector companies view both Oxenwood and Braeside as commercially unviable within their business model.
32. The task group was also informed that discussions had been held with charitable organisations regarding the possibilities of these organisations taking on the sites and Community First had been the only organisation to have expressed an interest in the Oxenwood site, though only as a potential Community Asset Transfer.
33. The task group appreciated that some of these options presented a financial risk as the council would still be liable for capital costs associated with the centres.
34. However, the task group was informed that members of staff at the centres were interested in pursuing the option of a Community Interest Company or similar set-up which could enable them to run the centres without subsidies from the council.

Option 3: close both centres

35. It was accepted that the provision of Outdoor education was a non-statutory activity, currently corporately subsidised.
36. However, the benefits to children, as detailed in the report, should also be taken into consideration. Some of the benefits identified by the Outdoor education - Aspects of good practice - September 2004 OFSTED report included "*Outdoor education gives depth to the curriculum and makes an important contribution to students' physical, personal and social education*" and "*Students generally make good progress in outdoor education, both at school and outdoor centres. They develop their physical skills in new and challenging situations as well as exercising important social skills such as teamwork and leadership*".
37. The task group was informed that there were alternatives available to Wiltshire Schools, however there was no consultation with Wiltshire Schools currently using the centres to ensure that they would be able to access those alternative (either because of travelling distance, difference of activities on offer or increased cost).
38. Based on the evidence available the task group could not be convinced that a decision to close both centres would not be premature, and could have a higher cost in the immediate future than retaining the centres.
39. The main reason for this was that the task group had not received evidence that due diligence in terms of the true costs, and potential risks, of closure had been undertaken, especially as there were covenants for both centres and there had been no indications that there would be interest in purchasing the centres for a different use (if that were possible given the covenants).
40. Additionally, no alternatives were identified for the relocation of the Able, Gifted and Talented (AG&T) Programme or the off-site services offered by Oxenwood and there were no details given or options listed for the potential redeployment of staff from the centres therefore increasing the risk of redundancy costs.

Option 4: Close one site only (Oxenwood)

41. Having been informed of the limitations faced by Oxenwood, mostly due to the small size of the site (1.4 acres), and consequent difficulties in combining day and residential activities which further limited commercial development, in contrast to the stated opportunities to grow the programme and income at Braeside during the school holiday times, the task group understood the logic for this option.
42. It was noted within the report that this option could enable the transfer of staff, and potentially bookings, from Oxenwood to Braeside, therefore reducing redundancy and exit costs and that the 'off site' activities from Oxenwood could potentially be managed from Braeside, although the latter was not evidenced and could prove problematic in terms of staffing for activities leaders as the centres tend to have similar busy (March to June and September) and quiet periods (August, December and January).
43. The task group reached the same conclusions for this option as it did for Option 3 (closing both centres) in so far as it had not received evidence confirming that the

true costs, and potential risks, of closure had been identified, paragraphs 38 and 39 refer, although this option would not affect the AG&T programme.

Conclusions

44. Based on the evidence it has received so far, the task group cannot conclude that the Council's proposed scope for the outdoor education review (paragraph 26 refers) had been adequately addressed.
45. With regards to the draft Cabinet report it considered on 7 February 2018, the task group concluded that there was insufficient evidence within the draft report for Cabinet to make an evidence-based decision on **any of the four options**. Of course, this situation may have changed when the Cabinet report is finalised.

Recommendations

46. Based on its key findings on the draft Cabinet report, and should this information not be included in the Cabinet report for consideration on 27 March 2018, the task group would recommend, that Cabinet defer its decision until evidence can be presented of due diligence on the covenants and of the true costs of options 3 (close both centres) and 4 (close one centre);
47. Should Cabinet be minded to defer its decision, the task group would recommend that consideration is given to undertaking the following:
 - a. the investigative work listed in paragraph 30 of this report with regards to option 1 (retain and operate);
 - b. research of the cost and viability of members of staff from the centres running the centres as a Community Interest Company or any other suitable set up, without subsidies from the council;
 - c. contacting a higher number of private sector organisations to explore the possibility of sale or partnership.
48. The task group appreciated that there would be a cost to the Council associated with the deferral of a decision by Cabinet on 27 March 2018 and that it could also pressurise achieving the £135,000 savings approved within the 2018-19 budget. This would need to be balanced against the, currently, unknown costs of closure of one or both centre(s).
49. Should Cabinet be minded to approve the closure of one or both centre(s) at its 27 March 2018 meeting, the task group, based on its consideration of the draft Cabinet report on 7 February 2018, and should this information not be included in the finalised report to Cabinet, would therefore recommend that:

Cabinet should ensure that, prior to any closure:

- a. due diligence for the following has been completed and it is evidenced that closure of one or both centre(s) would be a **true saving** to the council:
 - i. ascertain the council's options in terms of disposal, re-use or sale of the sites, especially considering the covenants;

- ii. ascertain the cost of redundancy and the options for redeployment for the staff members;
 - b. the following have been identified to ensure the impact of the closure of the centre(s) is minimalised in the short-term future for current users:
 - i. a suitable provider (venue) for the Able, Gifted and Talented Programme;
 - ii. an alternative venue for the off-site services offered by Oxenwood;
 - c. a council's outdoor education policy has been developed to ensure that access to outdoor education for Wiltshire Schools and their pupils remains available.
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Appendices

None

Background documents

Agendas and all supporting documents provided for the 13 September and 18 October 2017 Rapid Scrutiny exercises
Agenda and all supporting documents provided for the 7 February 2018 meeting of the task group
OFSTED report - Aspects of good practice - September 2004