

Wiltshire Council

Cabinet

11 December 2018

Children's Select Committee

8 January 2019

Report of the Traded Services for Schools Task Group on the potential sale of the Council's outdoor education sites

Purpose

1. To present the findings of the Traded Services for Schools Task Group regarding the bids for the provision of outdoor education and potential sale of the Oxenwood and Braeside sites 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, relevant officers and / or Cabinet Member should be consulted 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 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.
6. The task group previously submitted a report on outdoor education considered by Cabinet on 27 March 2018.
7. It should be noted that the task group has remained active beyond 9 months to allow for overview and scrutiny to remain involved throughout the council's review of outdoor education, including proposals for the disposal of the two outdoor education sites (Braeside and Oxenwood).

Membership

8. The membership of the two Rapid Scrutiny exercises transferred to the task group, except for Cllr Anna Cuthbert who had to resign due to conflicting work commitments:

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

Terms of Reference

9. The following terms of reference were approved by Children's Select Committee on 17 April 2018:

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).

10. Subsequently the following additional term of reference was approved by Children's Services Committee on 4 September:

III. To review and comment on:

- a) the Council's advertising of the two outdoor education sites (Braeside and Oxenwood);
- b) the Council's consideration of expressions of interest, including evaluation criteria and weighting;
- c) the report to Cabinet presenting the findings on the expressions of interests (bids).

Evidence gathering

11. The task group met on 17 October 2018 to consider the bids that had been received to date by the Council with regards to the potential sale of Braeside and Oxenwood.
12. The task group would like to express its gratitude at the opportunity it was given to be informed of the bids ahead of a decision being made by Cabinet.
13. The task group resolved to undertake a visit of the Lackham site (Wiltshire College and University Centre), in the same way it had undertaken site visits of Braeside and Oxenwood, to better understand how outdoor education would be provided on site.
14. The task group is grateful to the following witnesses who contributed to its Lackham site visit on 9 November 2018:

Adrian Ford	Deputy Principal, Corporate Resources
Tony Basham	Director of Business and Partnership
Julie Haslett	Campus facilities co-ordinator for Lackham

15. The task group also met on 7 November 2018 to consider the draft Cabinet report ahead of its consideration by Cabinet on 27 November 2018. Unfortunately neither the Cabinet Member for Finance, Procurement, ICT and Operational Assets, nor the Interim Traded Services Manager were able to attend this meeting.

Preliminary findings regarding the bids received by the Council

16. On 17 October the Traded Services task group received a presentation from the Interim Traded Services Manager on the bids that had been received by the council with regards to the Braeside and Oxenwood sites.
17. The task group was invited to comment on the bids received and the options considered by the Cabinet Member for Finance, Procurement, ICT and Operational Assets, to inform the Cabinet report.
18. The task group members were grateful for the opportunity to receive this information and to comment on the bids prior to a decision being made by Cabinet. However, as the task group had, understandably, received the full information very close to the meeting it has not been possible for members to read through its entirety ahead of the 17 October meeting.
19. Therefore, it should be noted that the order of preference listed below, which was shared with the Cabinet Member for Finance, Procurement, ICT and Operational Assets on 5 November 2018, was solely based on the presentation received on 17 October.
20. The task group was informed of the following bids being received for the provision of outdoor education on the Braeside and Oxenwood sites from:
 1. Adventure Learning Foundation
 2. Wiltshire College and University Centre

3. Magdalen Environmental Trust
4. Community First
5. Classes Abroad
6. Oxenwood CIC

21. Based on the presentation it received on 17 October the Traded Services task group was broadly minded to support consideration of the bids in the following order of preference:

Bids that appeared sustainable:

1. Community First
2. Wiltshire College and University Centre

Bid where further evidence of what has been achieved with other local authorities should be sought to enable assessment of the viability of the proposal:

3. Adventure Learning Foundation

Bid where the information provided included very little with regards to outdoor education:

4. Classes Abroad (however, with its different business model, this could remain an option for Braeside if the Wiltshire College and University Centre's bid was successful)

Bids where the information provided within the bids did not make them appear to be a sustainable option:

5. Magdalen Environmental Trust (heavily reliant on grants and funding)
6. Oxenwood CIC (limited business and development plans within the bid)

Key findings regarding the draft Cabinet report

22. The meeting of the task group on 7 November 2018 was focused on the report to be presented to Cabinet on 27 November 2018.

23. It was accepted that this was a draft report and that further information may be added to the report presented to Cabinet. Where appropriate the task group has indicated the information that 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.

24. The task group felt strongly that all bids should be included in the table showing the weight of the bids in terms of social vs economic value (only three of the bids were included in the table the task group received; Magdalen, Classes Abroad and Wiltshire College).

25. The task group hoped that clearer reasons to dismiss some of the bids would be provided in the finalised report.

26. Conversely the task group also hoped that clearer reasons would be provided to support the proposal that two bids be explored further and a clearer delegation of

the decision making, especially with regards to the “margin” of negotiation permissible without the decision needing to be referred back to Cabinet.

Key findings regarding the bids as presented within the Cabinet report

27. Following its visits to both sites the task group believes that the material difference in the outdoor education offer between Oxenwood and Braeside should be noted; this is to such an extent that the two sites can be described as offering complementary provision of outdoor education rather than competing with each other.
28. Throughout its assessment of the bids the task group were also mindful that the main financial reason for the council having originally planned to dispose of the two sites (Braeside and Oxenwood) were the significant repair and improvement costs expected in coming years.

Community First (Oxenwood)

29. The task group was encouraged that the council had been able to find an interested party who would carry on and develop an outdoor education provision on site.
30. The task group considered that the Community First bid detailed a sustainable and realistic future for the establishment, as well as a vital resource for school children and vulnerable children and young people in Wiltshire.
31. The bid also appeared to offer a fair financial return for the council and the social value added, as detailed in the bid, seemed to justify a decision by the council to accept less than best value for the site.
32. The task group would suggest that the council considers an overage clause (*a clause whereby the buyer agrees to pay the seller an uplift in the future if he obtains planning permission*), or equivalent, as part of the negotiations, if this is not already planned.
33. Finally, the task group would strongly encourage negotiations with Community First to start as soon as possible, and independently of any other negotiations with other bidders to ensure that there are no delays in the process (recommendation 1).

Wiltshire College and University Centre

34. The task group recognised that this was an exciting, unexpected and unusual opportunity that should be explored further.
35. At the meeting on 7 November 2018 the task group was not provided with the appendix on State Aid referred to in the Cabinet report. This considerably limited the task group’s ability to meaningfully comment on the bid.
The task group considered the State Aid issue a potential high risk.
36. State Aid is defined as follows on the [gov.uk website](https://www.gov.uk):

State aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU).

The definition of state aid is very broad because 'an advantage' can take many forms. It is anything which an undertaking (an organisation engaged in economic activity) could not get on the open market.

37. The task group was surprised to note that this bid had scored comparatively low (bearing in mind that only three bids were included in the table the task group received with the draft report, paragraph 24 refers) on the social versus economic criteria evaluation and hoped that this could be explained at Cabinet, with regards to the bid being a preferred option despite its low score, and that the reasons for the low score would be explored further as part of the negotiations.
38. The task group was concerned about the ambitious timeline for delivering the remodelling, or building of facilities, for the new outdoor education provision at Lackham by August 2019. This remained a concern after the site visit on 9 November.
39. However, the task group's main concern was the appearance this bid could give that the council was financing the development of Wiltshire College and University Centre, a commercially-oriented charity (the Centre's legal status is a charity within the meaning of Part 3 of the Charities Act 2011), with no return to the council, excepting any income that may be generated by the sale of the Oxenwood and Braeside sites.
40. This made it appear a high cost option for the council with the Centre's requested investment from Wiltshire Council to build a 120 bed facility.
41. There were also potential additional costs to the council with regards to redundancy / TUPE transfers.
42. The task group recommends that Cabinet consider only providing the for this development of the Lackham site as a loan to Wiltshire College and University Centre, or a financial arrangement which would provide the council with a return on its investment, rather than the current proposal (recommendation 2).
43. The task group also agrees with the suggestion within the Cabinet report that negotiations with Wiltshire College and University Centre include the removal of the Centre's request that both Oxenwood and Braeside no longer be used for the provision of outdoor education (recommendation 2).
44. Paragraph 27 refers to the task group's finding that Oxenwood offers a very different outdoor education experience which was not seen as direct competition to Braeside and would be likely to remain no direct competition to the development proposed on the Lackham site due to the scale of the site and activities that will be on offer (recommendation 2).

45. Based on the information received during its site visit, the task group could appreciate the benefits of this bid for school children in Wiltshire in terms of the quality of the accommodation proposed and the variety of planned activities, making full use of the unique selling points of the site itself.
46. The existing links with schools in Wiltshire and the planned continual marketing effort offered some reassurance about the Wiltshire College and University Centre's commitment to seeing the outdoor education provision flourish on its Lackham site.
47. Nonetheless, the task group recommends a clawback provision, or equivalent, within the agreement with the Wiltshire College and University Centre to protect the funds invested by the council in whichever way Cabinet decides (loan / investment) (recommendation 2).

Adventure Learning Foundation

48. The task group was informed of concerns over the sustainability of the bid and the consequent risk of a potential further financial burden on the council.
49. Although the task group also had concerns about the proposed return to the council and potential future costs to the council, it noted that Adventure Learning Foundation had been providing back office functions for two sites for Buckinghamshire County Council since 2013 and had management agreement with charities for two sites since 2015.
50. The information supplied by Adventure Learning Foundation in its bid also indicated some resilience and an ability to evolve, in adapting to face some challenges since 2004; however, this would need to be substantiated by further evidence.
51. Therefore, the task group felt that a more detailed risk assessment, based on evidence from other local authorities with regards to Adventure Learning Foundation's performance in other locations, should be undertaken before making a decision on these bids (recommendation 3).

Classes Abroad

52. Although the task group agreed that this bid presented little evidence in terms of outdoor education provision it would welcome further consideration by Cabinet of this bid purely in terms of purchasing the Braeside site (without provision of outdoor education, meaning that linked assets and equipment would remain the property of the council) (recommendation 4).
53. This would present an opportunity for Braeside to remain an education facility in the community rather than a potential residential – or other – development that would be unlikely to be welcome by the community, according to feedback from the public petition.

Magdalen Environmental Trust

54. The task group remained of the opinion that the heavy reliance on grants and funding of this bid made it unlikely to be a viable long-term option.

Oxenwood CIC

55. The task group remained of the opinion that the limited business and development plans within the bid made it unlikely to be a viable option.

Recommendations

Based on its key findings on the draft Cabinet report, and the evidence it has received so far, the task group would recommend that Cabinet consider the following next steps with regards to the bids that have been received and delegates authority to either the relevant Cabinet Member or Director to:

- 1. open negotiations as soon as possible with Community First with regards to the Oxenwood site, independently of negotiations with other bidders;**
- 2. open negotiations with the Wiltshire College and University Centre, taking into account the task group's concerns raised in paragraphs 35 to 41 by considering:**
 - i) loaning the amount requested to build a 120-bed facility, or agreeing terms of financial arrangements that guarantee a return for the council on its investment, including a clawback option, or equivalent;**
 - ii) the need to negotiate the removal of the Centre's request that Oxenwood no longer provide outdoor education.**
- 3. undertake a detailed assessment of Adventure Learning Foundation's performance in other locations where it has been working in partnership with, or on behalf of, local authorities, before making a decision on its bids;**
- 4. consider further engagement with Classes Abroad to ascertain if a mutually satisfactory sale value for Braeside could be achieved.**

Mr John Hawkins, Chairman of the Traded Services for School Task Group

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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 meetings of the task group on 7 February, 20 June, 3 September, 17 October and 7 November 2018