

Report of the Strategic Director Children's Services to the meeting of Children's Overview and Scrutiny to be held on 30 March 2016

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Subject:

Outdoor Education Centres

Summary statement:

The report provides the committee with an update on developments for the District's three Outdoor Education Centres and plans for their future sustainability and independence of the Local Authority by April 2017.

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Overview & Scrutiny Area:

Children's Services



1. SUMMARY

1. The report provides the committee with an update on developments for the District's three Outdoor Education Centres and plans for their future sustainability and independence of the Local Authority by April 2017.

2. BACKGROUND

- 2.1 The committee has consistently supported the work of the District's Outdoor Education Centres in terms of recognising the valuable and important role they play in support of schools. The Centres support the development of skills that pupils need to succeed in school itself and the wider world of work. These skills include leadership, communication, acquisition of practical skills and opportunities to undertake new experiences in an environment that can challenge them as well as keep them safe.
- 2.2 Elected Members have received several reports on Outdoor Learning in the District over the previous two years. The Committee has been kept informed of issues concerning progress and challenges regarding a range of issues relating to the sustainability and long term viability of the centres.
- 2.3 At the Overview and Scrutiny Committee meeting held in September 2015 members requested that officers produce a further update on progress towards securing the future of the District's Outdoor Education Centres in March 2016.

3. OTHER CONSIDERATIONS

3.1 Overview of the Report

- 3.1.1 This section of the report will detail the financial elements of the commitments made by the Schools Forum.
- 3.1.2 On 11 July 2012 the Schools Forum recommended the allocation of £1m of DSG one-off monies to support the re-development of the 3 outdoor learning centres (Buckden House, Ingleborough Hall and Nell Bank). This capital redevelopment alongside a subsequent increase in usage and revenue from the centres was seen as essential in meeting the long term goal of the future financial sustainability of the centres. This was to be achieved within the rigour of a new Trust model for the governance of Ingleborough Hall and Buckden House. This sum of money was further supplemented with £273,000 of resource from the Aiming High Short Breaks Fund, to ensure that all three Outdoor Learning Centres were fully complied with accessibility requirements for pupils and adults with mobility difficulties.
- 3.1.3 Following the recommendations for the 2014/15 Direct Schools Grant (DSG), made in January 2014 a further commitment from the Schools Forum transferred the financing of an annual revenue contribution to the outdoor centres to one off monies. This commitment was to continue for 2014/15, 2015/16 and 2016/17. This commitment will cease at April 2017, a point by which it is expected that the outdoor centres will be financially self-sustaining. At the same time and at the request of the Local Authority, the Schools Forum earmarked £500,000 as a further contribution to the capital redevelopment costs of the outdoor learning centres.



3.1.4 The status of the building programme and allocation of capital resources

- 3.1.5 The refurbishment works at both Ingleborough Hall and Buckden House have been completed. The new build at Nell Bank started in December 2015, and is progressing to a finishing deadline of 20 May 2016. The total budget that has been available for the three schemes is £ 1,773,000.00. It was agreed by the Outdoor Learning Project Board that the works to Ingleborough Hall and Buckden House be undertaken first and remaining funds utilised for Nell Bank on completion of the other schemes. All tenders were offered under the agreed scheme operated by the Local Authority.
- 3.1.6 During works at two of the centres in 2014 and 2015 it became apparent costs would exceed the provisional budgets for both schemes and on this basis that request for £500,000.00 extra funds for the Outdoor Centres was made to Schools Forum.
- 3.1.7 An agreed scheme for Nell Bank went out to tender during the summer of 2014 with a pre-tender estimate of £700,000.00. The lowest tender return was in excess of £1.1m. The deficit between the two figures was too great to value engineer without fundamental changes. Since the last report on the centres received by this Committee a revised scheme went out to tender. This time following a successful value engineering exercise the building works started in October 2015.
- 3.1.8 A final breakdown of all three capital schemes will be available to this committee following the completion of the current building works at Nell Bank by 20 May 2016.

3.1.9 Financial Performance

- 3.1.10 The committee has previously been informed that a revenue funding stream was made available from the Schools Forum to the centres over a three year period up to the end of March 2017. This was to encourage the centres towards a sustainable position on the back of the capital investment. Demonstrating progress in the area is key to the long term viability of the centres. This section details the issues and responses of the three centres.

Ingleborough Hall

- 3.1.11 At the end of the financial year 2014/2015 Ingleborough Hall was operating at a deficit. From the beginning of April 2015 to date the financial turnaround has been significant. Once the refurbishment had been completed a great deal of progress was made. The centre is now predicted to generate more income than expenditure by 31 March 2016 and therefore will not draw on support from the revenue funding support pot provided by the Schools Forum.
- 3.1.12 This has been achieved through: an increase in the number of users; greater promotion of activity through a refreshed web presence; promotion via clusters of schools; attending heads events and promotion to new heads in the District; securing positive evaluations and feedback from schools which have been shared in real time on the website; and establishing a three year relationship for school holiday activities to deliver the National Citizenship Service.
- 3.1.13 The turning around of the deficit in 2014/15 to a predicted surplus in 2015/2016 demonstrates a clear correlation between a financial performance dip pre capital works and improved revenue position post refurbishment and should provide reassurance to stakeholders such as this committee and the School Forum.



Nell Bank

- 3.1.14 The current financial performance that Nell Bank is experiencing mirrors a similar level of financial challenge faced by Ingleborough due to the building works on site which affected the centre since the beginning of the July.
- 3.1.15 The over spend at Nell Bank in 2015/16 is due to the centre having taken no residential bookings since July 2015. By March 2016 this will have been an 8 month period within this 12 month financial year. Expenditure at the centre has also increased in 2015/16 reflecting preparation required for the increased residential capacity in the new building – bunk beds, additional dining room furniture, building capacity to activity areas such as water play etc. The withdrawal of Council base budget and incurring additional costs previously covered by Facilities Management have also impacted on the budget. Uncertainty around the finish date of the build has raised issues in assuring schools that their residentials can be accommodated in 2015/16 and the first quarter of 2016/17.
- 3.1.16 It has been accepted a key premise that the new residential facility will significantly increase the revenue capacity at the centre. The developing business plan for Nell Bank includes a predicted weekly income, and operating at approximately 45% of its absolute capacity Nell Bank can generate the required per annum income target.
- 3.1.17 This prediction for Nell Bank is predicated on several reasonable assumptions. The first of these is that residentials represent 18% of visitors but generate 43% of income and based on the occupancy described above with occupancy at the current rates for a residential night and day visits. This would be delivered by core staff only and would not require greater expenditure on casual staffing, which will reduce costs. Given that the centre cannot start to generate operational income levels it needs before the end of May 2016 then it is predicted that it will operate with an over spend for 2016/2017. The following full year, operating with the new facility, will return the budget above a break even situation.
- 3.1.18 The Committee forum and wider stakeholders can have confidence that Nell Bank will - with the completion of a major new residential block and attendant increase in visitor numbers, alongside the strong management redevelopment being undertaken by the Trustees, the planned adoption of a new Trust charter allowing increased access to wider funding, capacity development amongst staff, as well as the potential of securing independence from current financial and human resource systems – demonstrate the centre has a bright future and the investment by the Schools Forum will be realised in the long term.

Buckden House

- 3.1.19 The refurbishment at Buckden House was completed in February 2015. The revenue situation for the centre on 31 March 2015 showed an overspend. The same level of input that Ingleborough has received in terms of promotion has improved the predicted outturn situation by 31 March 2016. The predictions for the year 2016/2017 are that Buckden will reduce the current overspend further whilst still operating at a deficit based on current usage and the positive impact of an NCS Summer Programme. This is progress. At the same time the centre will need to see an increase in revenue to meet a surplus that annually contributes to its viability. Each centre to be viable would need to generate surplus income in the region of £30 - £50,000 annually.



3.1.20 At present a challenge for Buckden is the improved performance and facility at Ingleborough whilst at the same time the outdoor offer to schools is broadly similar. At this time Ingleborough has the edge in terms of levels of bed space on offer. Buckden does not offer the day visit experiences that are part of the Nell Bank offer because of its relative remoteness from the District.

3.1.21 An on-site Asset Management Survey regarding the longer term improvements to the Buckden site have been undertaken in 2012 and this will influence requirements for the centre's viability. Increased, sustained income through bookings is one way to meet the challenges for the long term maintenance alongside a strong role played by future Trustees to generate the required funds.

3.1.22 Business Planning

3.1.23 A Business Plan is being produced to address the rate of progress so that use of the centres increases in an attempt to establish a surplus budget at each site in 2017/18. A range of longer term factors will influence the business plan.

3.1.24 The implementation of Trust status will support applications to access charitable donations including assessing any outstanding capital improvements to fabric of main building and extensions of current facilities. A New three year NCS contract supplies a level of income recovery previously not in place for the school half term breaks of Autumn and Spring and in the school summer break. The Trustees will also need to establish a clear approach to address outstanding maintenance issues over a planned 5 year programme via any increased revenue.

3.1.25 A joint business model aimed at moving to profitability following the removal of the annual revenue support from the Forum after March 2017 is underway and will be completed by April 2016. This plan will include the new arrangements being developed by the Trustees at Nell Bank (which are currently planned to be in place by September to allow a bedding-in period before the 2017 deadline) and the proposed developments for Ingleborough Hall and Buckden House trust.

3.1.26 Trust Status Developments to support long term viability

3.1.27 The Outdoor Learning Project Board and Nell Bank Trustees met during the autumn term to determine the future shape of any Trust(s) relating to the Outdoor Centres. The Jubilee Trust at Nell Bank has determined that in order for it to be active and successful in sustaining and growing the work at the site that it would not be part of trust arrangements for Ingleborough Hall and Buckden House.

3.1.28 The Nell Bank Trustees have recently requested clarity on a number of issues relating to Trust developments including the length of lease, the ownership of buildings, the future arrangements for staff and the wider development of their future Trust arrangements. This information is planned to be in place by the end of April 2016.

3.1.29 The Nell Bank Trustees decisions are aimed at creating a form of shadow arrangements to assist them in their move to financial independence from the Council by April 2017. The cooperation levels between the Trustees at Nell Bank and the Outdoor Learning Project Board has been strengthened over the past nine months to ensure that the cooperation between the offers at the centres is maintained.



3.1.30 The joint business model aimed at moving to profitability following the removal of the annual revenue support from the Forum after March 2017 is underway and will be completed by April 2016. It will include the new arrangements being developed by the Trustees at Nell Bank (which are currently planned to be in place by September to allow a bedding-in period before the 2017 deadline) and the proposed developments for Ingleborough Hall and Buckden House trust.

4. FINANCIAL & RESOURCE APPRAISAL

4.1 See item 3 above. The committee requests that a report be taken to Schools Forum on the Outdoor Education Centres containing overall details of the capital expenditure programme. Local Authority Officers are requested to liaise with the Schools Forum to jointly determine the scope of that paper.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

5.1 n/a

6. LEGAL APPRAISAL

6.1 The plans for establishing Trust status for Ingleborough Hall and Buckden House Outdoor Education Centres have been supported with advice from the Council's Legal Services Team. The Nell Bank Trustees have secured their own legal support for the developments within their governance structure. This work is being willingly shared and coordinated to ensure a close correlation between the centres offer to schools is maintained.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

7.1.2 The Outdoor Education Centres provide a service that supports all sections of the diverse communities of Bradford. The centres have maintained and further developed particular programmes for disabled children and their families through specifically adapted residential facilities at Nell Bank and newly coordinated activities at Ingleborough Hall.

7.2 SUSTAINABILITY IMPLICATIONS

7.2.1 Sustainability issues are covered from section 3.1.9 to 3.1.30 of this report.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

7.3.1 n/a

7.4 COMMUNITY SAFETY IMPLICATIONS

7.4.1 n/a



7.5 HUMAN RIGHTS ACT

7.5.1 n/a

7.6 TRADE UNION

7.6.1 None

7.7 WARD IMPLICATIONS

7.7.1 There are no ward implications.

7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

7.8.1 Not applicable.

8. NOT FOR PUBLICATION DOCUMENTS

8.1.1 None

9. OPTIONS

9.1 The refurbishment options for the centres are being implemented

10. RECOMMENDATIONS

10.1 The Committee notes the positive progress of Ingleborough Hall following the refurbishment at the centre.

10.2 The committee notes the progress for building works at Nell Bank.

10.3 The committee requests that a report be taken to Schools Forum on the Outdoor Education Centres containing overall details of the capital expenditure programme. Local Authority Officers are requested to liaise with the Schools Forum to jointly determine the scope of that paper.

11. APPENDICES

11.1 None

12. BACKGROUND DOCUMENTS

12.1 None

