

SCHOOLS FORUM AGENDA ITEM

For Action



For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

The Schools Forum is asked to consider the progress being made in securing the future sustainability of all three outdoor education centres and meeting the value for money criteria for the Forum's investment.

Date (s) of any Previous Discussion at the Forum

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). The Forum also received updates subsequently of the progress of redevelopment work, including on 11 December 2013. In December 2014, a report updated the Forum on the progress of the redevelopment of the outdoor education centres with an assessment of the impact of this redevelopment and of the Forum's DSG contribution of £1m. The Forum was asked to consider further financial support from the DSG to capital redevelopment cost.

Background / Context

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 business plan and ownership (Trust) model for the governance of Ingleborough Hall and Buckden House. At the request of the Local Authority, within the recommendations on the 2014/15 DSG, the Schools Forum earmarked £500,000 that had not been allocated to the 2 year old capital projects as a further contribution to the capital redevelopment costs of the outdoor learning centres, which was supported by the Secretary of State. The Forum also transferred the financing of the DSG's existing annual £228,000 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.

The status of the building programme and allocation of capital resources

The refurbishment works at both Ingleborough Hall and Buckden House have been completed. The new build at Nell Bank started in December 2015, progressing to an expected end date of 27 May 2016. 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. The tenders were offered under the agreed scheme operated by the Local Authority. However, during works at Ingleborough and Buckden in 2014 and 2015 it became apparent costs would exceed the provisional budgets for both schemes and on this basis the successful request for £500,000 extra funds for Nell Bank was made to Schools Forum. The table below outlines the capital expenditure:

	Buckden	Ingleborough	Nell Bank	Total
	£	£	£	£
Capital Spend to 31/1/2016	462,358	619,396	92,523	1,174,277
Further Capital Spend	0	0	779,769	779,769
Total Capital Spend	462,358	619,396	872,292	1,954,046
Total Capital Resources				1,773,000
Forecast Capital Overspend				181,046

Ingleborough and Buckden are listed and in a National Park, which has resulted in considerably more work and time to achieve consents. As works commenced it also became clear that additional works would be required due to structural issues which became evident as the works progressed. In addition, the work for Nell Bank was returned with a significantly higher than expected tender price. This has resulted in a capital overspend of approximately £180,000, which is currently being underwritten by the Local Authority.

Background / Context (continued)**Financial position:****Buckden and Ingleborough.**

Recent interim managerial arrangements across the two centres have proved to be beneficial in terms of income generation. Expertise is now being shared across the two centres, and there are encouraging signs of recovery. Whereas significant deficit budgets existed in previous years, the current position is encouraging. The capital investment has enabled the two completed centres to meet financial targets for the financial year 2015/16, and a budget is now being set which will reflect this increased income expectations in future years.

At the end of the financial year 2014/2015 the two centres were operating at a deficit of £139,108. From the beginning of April 2015 to date the financial turnaround has been significant. Where the refurbishment has now been completed a great deal of progress is being made. The centres are now predicted to generate significantly more income than expenditure by 31 March 2016 and therefore, will not draw on support from the revenue funding support pot.

Nell Bank

Nell Bank has experienced a loss of income in 2015/6 due to the building works on site which affected the centre from the beginning of the autumn term. However, the new residential facility will significantly increase the revenue capacity at the centre, and, as has been the case at Ingleborough and Buckden, there is every confidence in a healthy prediction of future income from the end of May 2016 which will return the budget above a break even situation.

Table A provides the Forum with financial information from the past two years and predicted information relating to the income, expenditure and support costs from the Council. All overspends have been supported from the revenue support funding provided by the Schools Forum from the DSG (the annual sum of £228,000), which is due to cease on 31 March 2017.

Table A : Outdoor Education Centres: Income, Expenditure and Council support

Centre	Running costs	2013/14 actual	2014/15 actual	2015/16 Forecast
Nell Bank	Expenditure	273,436	277,833	313,083
	Income	-191,620	-215,136	-174,046
	Council revenue support	-67,100	-27,400	0
Over / under spend		14,716	35,297	139,037
Ingleborough Hall	Expenditure	472,493	497,235	443,310
	Income	-359,275	-356,127	-449,128
	Council revenue support	0	0	0
Over / under spend		113,218	139,108	-5,818
Buckden House	Expenditure	220,540	242,121	217,073
	Income	-199,073	-173,353	-176,217
	Council revenue support	0	0	0
Over / under spend		21,467	68,768	40,856

Details of the Item for Consideration (continued)

A Business Plan will now be prepared which will take into account the need to ensure financial sustainability following the removal of the annual revenue support from the Forum after March 2017. Consideration is now being given to a range of options. A Task and Finish Group is being established which will report on potential future Trust arrangements, including the possibility of moving towards a single Trust. Representatives from the Council's Human Resources, Finance, and Legal Services Departments will advise on future options, which include the potential to recoup current overspend from anticipated future revenue receipts or unallocated reserves. In addition, there are options to work with commercial partners to ensure that future independent Trust arrangements are more viable. The Council's deliberations will seek the views of all key stakeholders to ensure that the District retains the appropriate level of facility to support a sustainable outdoor learning offer.

How does this item support the achievement of the District's Education Priorities

There is clear evidence from some schools that pupils' skills in enquiry, observation, creativity and participation are honed and improved through structured outdoor learning opportunities. Outdoor activities both at school and on residential courses enable pupils to enjoy challenging and unfamiliar experiences that test and develop their physical, social and personal skills. They can be among the most memorable experiences for pupils of their school-days. Outdoor education thrives in schools where leadership with a vision that promotes a well-balanced PE curriculum and outdoors off-site, day or residential experience.

With the completion of this major capital investment and the attendant increase in visitor numbers, the strong management and governance arrangements now in place, the Centres are now ideally placed to develop a strong Outdoor offer. The planned work on Trust arrangements will allow increased access to wider funding, capacity development amongst staff, as well as the potential of securing independence from current financial and human resource systems. The Schools Forum, schools, pupils, and wider stakeholders can therefore have confidence that the Outdoor Centres will have a bright future as a direct result of the investment by the Schools Forum.

Implications for the Dedicated Schools Grant (DSG) (if any)

None

Recommendations

As a key stakeholder, the Schools Forum is asked for its views concerning the options in this paper in order to inform the Council's considerations and decision making.

List of Supporting Appendices / Papers (where applicable)

None

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