

## REPORT TO CABINET

8 July 2020

<b>Subject:</b>	<b>Sandwell Residential Education Centres: Charges for the period 1 August 2021- 31 July 2022</b>
<b>Presenting Cabinet Member:</b>	<b>Councillor Joyce Underhill - Cabinet Member for Best Start in Life</b>
<b>Director:</b>	<b>Director – Education, Skills and Employment – Chris Ward</b>
<b>Contribution towards Vision 2030:</b>	
<b>Key Decision:</b>	Yes
<b>Cabinet Member Approval and Date:</b>	Councillor Joyce Underhill - Cabinet Member for Best Start in Life: 15.6.20
<b>Director Approval:</b>	Director – Education, Skills and Employment – Chris Ward: 15 June 2020: 15.6.20
<b>Reason for Urgency:</b>	Secure forward sales in competitive market
<b>Exempt Information Ref:</b>	Exempt provisions do not apply
<b>Ward Councillor (s) Consulted (if applicable):</b>	There is no requirement to consult at ward level
<b>Scrutiny Consultation Considered?</b>	Councillor Rajbir Singh, Chair – Children’s Services and Education Scrutiny Board:
<b>Contact Officer(s):</b>	Richard Oakes, Manager, Sandwell Residential Education Service <a href="mailto:richard_oakes@sandwell.gov.uk">richard_oakes@sandwell.gov.uk</a>

### DECISION RECOMMENDATIONS

**That Cabinet:**

Authorise the Director - Education, Skills and Employment to implement term-time charges for Sandwell Residential Education Centres for the period 1 August 2021 - 31 July 2022.

## 1 **PURPOSE OF THE REPORT**

- 1.1 The report proposes charges which seek to make the centres accessible to as many Sandwell children and school groups as possible, whilst generating sufficient income to provide a high-quality service at zero revenue cost to the Council.

## 2 **IMPLICATION FOR VISION 2030**

- 2.1 About 6,000 Sandwell children and young people experience residential visits to the centres each year, and about 2,000 experience day visits.

The Residential Education Service contributes to the Council's ambitions by:

- Raising aspirations and resilience by introducing participants to new experiences, places and challenges.
- Helping participants be healthier and happier for longer, by promoting healthy, active, enjoyable lifestyles and activities, and teaching how to identify and manage risk.
- Helping young people to have skills for the future, by developing and applying transferable skills, attitudes and values, creativity and adventure, and environmental awareness, through direct experience.
- Raising the quality of education and learning, by working with schools to enrich the broader curriculum.
- Lowering crime and anti-social behaviour by promoting good citizenship, positive traits and relationships.
- Enhancing Sandwell's reputation for getting things done. Retaining four residential education centres, with a focus on Sandwell priorities providing high value for the community, is increasingly recognised regionally and nationally as a success.

## 3 **BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 Sandwell Residential Education Centres' mission is "to provide sustainable lifelong learning opportunities for all Sandwell children, young people and adults to become healthier, happier and more successful through residential, outdoor and creative arts experiences." In short, to deliver beneficial visits for as many Sandwell children as possible.

- 3.2 The intention is to have centres occupied for as much of the school year as possible, increasing attendance and positive outcomes for Sandwell children, and generating income year-round.
- 3.3 This report seeks approval to implement the charges attached as Appendix A, in line with the Residential Education Centres' business plan, to provide a sustainable, accessible service.
- 3.4 The centres are open to Sandwell maintained schools, Sandwell academy schools, and non-Sandwell schools and groups. The proportion of non-Sandwell schools using the centres has risen in recent years, bringing in more income; but there is capacity to accommodate more Sandwell schools and children.
- 3.5 The proposed charges (Appendix A) indicate the "commercial" charge to non-Sandwell schools; and then the charges to Sandwell maintained schools with a 30% discount, and Sandwell academy schools with a 20% discount. These discounts for Sandwell children are financed by the service's other income streams, including weekend, school holiday, and day visit educational courses and commercial events. The percent changes compared with agreed charges for 2020-21 are shown.
- 3.6 Proposed low season charges have been reduced, and low season extended, to increase accessibility, participation and value particularly for Sandwell schools and children, and to encourage demand throughout the year and minimize empty periods, so increasing overall income.
- 3.7 There is greater demand in high season.
- 3.8 The proposal includes the introduction of a discounted rate for large groups at three of the centres, to encourage greater participation, increase competitiveness, and overall to generate more income. Smaller schools will be encouraged to share to take advantage of these rates.
- 3.9 Sandwell Looked After Children will continue to be able to attend the centres free of charge with their schools during term-time.
- 3.10 Demand for Plas Gwynant for 2020-21 is high, and it works at high occupancy levels. Operational costs at Plas Gwynant are higher than the other centres because of the adventurous nature of courses there. The proposed charges for 2021-22 reflect this.
- 3.11 It is anticipated that post Covid-19, many parents and possibly schools will be poorer. The service will continue to review efficiency and costs where possible to provide best value.

- 3.12 The Residential Education Service operates in a competitive market, with a zero-revenue budget since April 2017.
- 3.13 Centres have to generate sufficient income to cover all revenue costs of almost £2 million, including meeting pay awards.
- 3.14 Until the cancellation of courses at the end of March 2020, the service was projecting a balanced year-end budget for 2019-20. Further detail is set out in section 7.
- 3.15 The proposed new charges will be effective from 1 August 2021.
- 3.16 Sandwell maintained school and academy school discounts are largely covered by the generation of income at weekends and during school holidays. The proposal recommends that charges at these times will continue to be set at a rate determined by the Service Manager with Centre Heads.

#### **4 THE CURRENT POSITION**

- 4.1 The current charges are competitive for most of the year, as indicated by the increase of non-Sandwell schools buying into the service. The proposals take account of sector charges; and seek to ensure year-round competitiveness, especially for Sandwell schools and Sandwell academy schools with 30% and 20% discounts respectively. The sector operates with very low margins, so large price cuts are unlikely. There may be fewer providers post Covid-19. There is no current data on sector prices for 2021-22.
- 4.2 In 2019-20 there were several empty term-time weeks at all centres, with lost opportunity for children and income generation. The proposals seek to address this.
- 4.3 Sandwell maintained schools currently pay approximately 70%, and Sandwell academy schools about 80%, of the non-Sandwell schools rate.
- 4.4 Additional income to subsidise Sandwell charges is generated by weekends, day visits, holiday-time working, and commercial events, in part made possible by Council investment in the properties. The service manager has cabinet approval (SMBC03/07/2019 point 1.4, 17<sup>th</sup> July 2019) to set charges for these events to obtain best value for the Council.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 Service managers regularly review the market in residential education to ensure that Sandwell's centres are competitive. They also regularly receive feedback and communicate with Sandwell and non-Sandwell school leaders and group leaders.

## **6 ALTERNATIVE OPTIONS**

- 6.1 Making no change to charges risks having more empty weeks in low season, with a loss of uptake and opportunity, and income.
- 6.2 Reducing charges in high season risks reducing overall income and not meeting income budget targets; also, there is high demand in high season.
- 6.3 Increasing charges in all seasons risks reducing attendance and overall income.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 The proposed charges support the Residential Education Centres' business plan and sustainable, accessible service provision for a zero-revenue target budget. They also support sustainable positive use of the Council's property assets, capitalising on recent investment.
- 7.2 A 2.5% overspend was reported in 2018/19. The projected out-turn for 2019-20 was close to a balanced budget, prior to centres closing on 20 March 2020 because of COVID-19. The actual outturn was a 2.6% overspend for 2019/20.
- 7.3 The proposed charges are projected to increase overall income by 2%, roughly in line with inflation. This will be achieved by a combination of reducing some of the low season fees; as it is anticipated this will stimulate increased attendance and occupancy levels in low and mid-seasons, as well as increasing slightly the high season fees. This will enable the service to meet all costs and balance its budget.
- 7.4 The proposals assume that centres will be in a position to operate to their full potential by April 2021, following Covid-19.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 There are no legal and governance considerations.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 A screening exercise was completed and found that a full EIA was not required as the report is concerned with maintaining or increasing sustainable delivery of an existing service with no discrimination against service users.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 The recommendation has no data protection impact.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 The centres make a positive contribution to citizenship.
- 11.2 The Corporate Risk Management Strategy (CRMS) has been complied with – to identify and assess the significant risks associated with this decision/project. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks.
- 11.3 The risk associated with these proposals are considered acceptable and manageable subject to the centres being able to fully operate from April 2021 following Covid-19. The financial risks are amber or red, depending on length of closure, should one or more centres be closed for a period of time due to, for example, Covid-19. This risk remains regardless of agreed charges.
- 11.4 Should social distancing and health considerations continue, and either prevent attendance or restrict occupancy or require additional expenditure in respect of facilities management and PPE, the risk is currently rated at red, should that situation persist for more than a few weeks into the next financial year. This risk will be monitored. When social distancing and health considerations allow, it will reduce to amber and then green. The level of risk is therefore time-dependent.

There is at present a lead-in time for courses of approximately nine months, giving time for service review. A protracted period of closure of all four centres would result in financial loss averaging £27,000 per week to the Council, which may be difficult or impossible to recover through schools' insurance, cost-cutting, or additional income generation.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 The proposed charges support the Residential Education Service business plan. The Centres operate a full cost-recovery revenue budget; all expenditure has to be covered by income generation.

Income is monitored monthly on a centre by centre and service basis against profiled targets. Attendance figures are also monitored.

### **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

13.1 The centres all deliver Sandwell's well-being charter, providing experiences beneficial to mental and physical health and well-being. They develop an appreciation of adventure and creativity, citizenship, and high aspirations. The centres work with a range of partners within and outside the Council to deliver projects and programmes of social value. Sandwell Looked After Children visiting the centres with their schools in term time do so free of charge.

### **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 The recommendations support the Residential Education Centres' business plan and the sustainable delivery of service from those Council properties, capitalising on recent investment.

### **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 The recommendations will enable the centres to continue to generate sufficient income to operate an efficient high-quality service, with heavily subsidised places for Sandwell children, in support of Vision 2030; and make access to the centres more affordable at certain times of the year in anticipation of a post Covid-19 recession.

### **16 BACKGROUND PAPERS**

16.1 None

### **17 APPENDICES:**

Appendix A: proposed term-time charges for visits to Sandwell Residential Education Centres 2021-22.

**Chris Ward**  
**Director – Education, Skills and Employment**