

Report to Cabinet

16 November 2022

Subject:	Sandwell Residential Education Centres: Charges for the period 1 August 2023-31 July 2024
Cabinet Member:	Cabinet Member for Children and Education Councillor Simon Hackett
Director:	Director for Children and Education Michael Jarrett
Key Decision:	Yes
Contact Officer:	Chris Davies, Sandwell Residential Education Service Chris_Davies@sandwell.gov.uk

1 Recommendations





- 1.1 That the Director of Children and Education be authorised to implement term-time charges for Sandwell Residential Education Centres for the period 1 August 2023 to 31 July 2024 as shown in Appendix A attached.

2 Reasons for Recommendations

- 2.1 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.
- 2.2 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 continue to make access to the centres more affordable at certain times of the year in anticipation of rising inflation.



3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people</p> <p>About 6,000 Sandwell children and young people experience residential visits to the centres each year, and about 2,000 experience day visits. Sandwell Residential Education Service (SRES) contributes to the Council's ambitions by:</p> <ul style="list-style-type: none">• Raising aspirations and resilience by introducing participants to new experiences, places and challenges.• Raising the quality of education and learning, by working with schools to enrich the broader curriculum.• 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.
	<p>People live well and age well</p> <ul style="list-style-type: none">• Helping participants be healthier and happier for longer, by promoting healthy, active, enjoyable lifestyles and activities, and teaching how to identify and manage risk.
	<p>Strong resilient communities</p> <ul style="list-style-type: none">• 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.
	<p>Quality homes in thriving neighbourhoods</p> <ul style="list-style-type: none">• Lowering crime and anti-social behaviour by promoting good citizenship, positive traits and relationships.



4 Context and Key Issues

- 4.1 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.
- 4.2 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.
- 4.3 This report seeks approval to implement the charges attached in Appendix A, in line with the Residential Education Centres' business plan, to provide a sustainable, accessible service. The proposed charges are an increase of 7% on 2022-23 charges, below the consumer price index as of June 2022, rounded to the nearest pound.
- 4.4 In 2022-23, prices increased by 2.4% overall, and were held as inflation quickly rose to over 8% in the same period.
- 4.5 An adjustment to the middle price banding is proposed; extending by 2 weeks to the end of November to minimise the overall price increase and to protect low-cost opportunities for schools. This represents a return to a low / mid-price banding model approved in 2020 – 21.
- 4.6 The centres are open to Sandwell maintained schools, Sandwell academy schools, and non-Sandwell schools and groups. The business plan aims to retain Sandwell children participation of 15 000 term-time bed nights, or 4 750 residential pupil visits, per year. 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.
- 4.7 The proposed charges (Appendix A) indicate the "commercial" charge to non-Sandwell schools. Sandwell maintained schools receive a 30% discount, and Sandwell academy schools a 20% discount. Sandwell academy schools receive a smaller discount because they have opted



to take their share of local government finance to manage directly. These discounts for Sandwell children are financed by the residential education service's other income streams, including weekend, school holiday, and day visit educational courses and commercial events.

- 4.8 For 2021-22, Cabinet approved a reduction in low season charges 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. There is greater demand in high season.
- 4.9 It is proposed that the discounted rate for large groups at three of the centres (introduced in 2022-23 to generate greater participation) will now apply only to 4-night visits. This represents the removal of a £3 to £7 additional subsidy for Sandwell schools that visit for 2 nights. 2-night visits incur a higher operating cost, and we wish to incentivise schools to visit for longer residentials to achieve deeper, more meaningful learning outcomes in line with external action research.
- 4.10 Sandwell Looked After Children will continue to be able to attend the centres free of charge with their schools during term-time.
- 4.11 Demand for Plas Gwynant 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 2023-24 reflect this.
- 4.12 It is anticipated that post Covid-19 and during a period of high inflation, many parents and schools will face financial challenges. The service will continue to review efficiency and costs where possible to provide best value.
- 4.13 The Residential Education Service operates in a competitive market, with a zero-revenue budget since April 2017.
- 4.14 Centres must generate annual income of £2.2 million to cover all revenue costs, including meeting pay awards and a staff restructure.



4.15 The proposed new charges will be effective from 1 August 2023.

4.16 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.

4.17 The current position

4.18 The current charges are competitive, 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. There are fewer providers post Covid-19. There is little data yet on sector prices for 2023-24.

4.19 Sandwell maintained schools pay approximately 70%, and Sandwell academy schools about 80%, of the non-Sandwell schools' rate.

4.20 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. Many of these are bespoke. The service manager obtained cabinet approval (SMBC03/07/2019 point 1.4, 17th July 2019) to set charges for these events to obtain best value for the Council.

4.21 Consultation (customers and other stakeholders)

4.22 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, directly and in collective meetings. Low-season visits will be available to Sandwell schools visiting for 4 nights at £9 less than was the case in 2020-21.



4.23 Sustainability of proposals - The proposed charges support the Residential Education Service business plan. The Centres operate a full cost-recovery revenue budget; all expenditure must 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.

5 Alternative Options

- 5.1 Increasing charges above inflation risks less uptake of places, reduced overall income, and poorer social value.
- 5.2 Keeping charges at 2022-23 levels risks a shortfall in income and difficulties in balancing the budget when expenditure has risen considerably with inflation.

6 Implications

Resources:	<p>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.</p> <p>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. The centres were closed for almost all of 2020-21 financial year. However, bookings were strong at the time of closure, and forward bookings for 2022 calendar year with the three-season charging model are positive.</p> <p>The proposed charges are projected to increase term-time income by 7% - below inflation as of June 2022. This will enable the service to meet all costs and balance its budget, although treasury forecasts are for CPI rising to 9.6% by the end of 2022, and RPI to</p>
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	<p>10.4%. The financial position will be closely monitored and if inflation is higher than the fees and charges increase of 7%, action will be taken to reduce costs and/or increase income accordingly.</p> <p>The proposals assume that centres will continue to operate to their full, following Covid-19 closures in 2020-21 and 2021-22.</p> <p>Impact on any council managed property or land - The recommendations support the Residential Education Centres' business plan and the sustainable delivery of service from those Council properties, capitalising on recent investment.</p>
Legal and Governance:	<p>Direct provision of this service is not a statutory obligation on the Council. It is provided at the discretion of the Council to enrich the learning, life opportunities and experiences of the Borough's children and young people. There are no legal and governance considerations.</p> <p>The recommendation has no data protection impact.</p>
Risk:	<p>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.</p> <p>The centres make a positive contribution to citizenship.</p> <p>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 £40,000 per week to the Council, which may be difficult or impossible to recover through schools' insurance, cost-cutting, or additional income generation.</p>



Equality:	An Equality Impact Assessment initial screening has been undertaken and a full Equality Impact Assessment is not required for this report.
Health and Wellbeing:	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.
Social Value	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

7. Appendices

Appendix A: proposed term-time charges for visits to Sandwell Residential Education Centres 2023-24.

8. Background Papers

None.

