

Report to Cabinet

17 January 2024

Subject:	Sandwell Residential Education Centres: Charges for the period 1 August 2024-31 July 2025
Cabinet Member:	Cabinet Member for Children, Young People and Education Councillor Simon Hackett
Director:	Director for Children and Education Michael Jarrett
Key Decision:	Yes
Contact Officer:	Christopher Davies, Manager, Sandwell Residential Education Service chris_davies@sandwell.gov.uk

1 Recommendations

- 1.1 That Cabinet approves the increase in term-time charges of 2% for Sandwell Residential Education Centres for the period 1 August 2024 to 31 July 2025 as shown in Appendix A attached.
- 1.2 That the Director of Children and Education be authorised to implement term-time charges for Sandwell Residential Education Centres for the period 1 August 2024 to 31 July 2025 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 provide an opportunity for the centres to generate sufficient income to operate an efficient high-quality service, with heavily subsidised places for Sandwell children, and continue to make access to the centres more affordable at certain times of the year with consideration given to rising inflation.

3 How does this deliver objectives of the Corporate Plan?

	<p>About 7,000 Sandwell children and young people experience residential visits to the centres each year, and 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>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>
	<p>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>
	<p>Lowering crime and anti-social behaviour by promoting good citizenship, positive traits and relationships.</p>



4 Context and Key Issues

4.1 Sandwell Residential Education Service’s 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.” Every visit provides an opportunity to develop resilience, confidence and independence, know how to keep physically and emotionally healthy, become more environmentally aware and support students’ achievement.

Ofsted stated in “Learning Outside the Classroom: how far should you go?”:

- “When planned and implemented well, learning outside the classroom contributed significantly to raising standards and improving students’ personal, social and emotional development.”
- Local authorities should be “better supporting and encouraging schools in enhancing the quality of learning outside the classroom as a means of raising achievement.”

A residential learning experience provides ‘opportunities and benefits/impacts that cannot be achieved in any other context or setting’ (Learning Away Final Evaluation Report 2015)

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 2% on 2023-24 academic year charges, below the consumer price index as of September 2023, rounded to the nearest pound.

4.4 In the academic year 2022-23, prices increased by 2.4% overall, and were held as inflation quickly rose to over 10%. A pay award was implemented in the same period. In academic year 2023-24 prices were increased by 7%.



- 4.5 It is proposed that the discounted rate for large groups at three of the centres (introduced in 2022-23 with the aim of generating larger group sizes / greater participation) will be reduced from £13pp to £11pp (maintained schools) and from £16pp to £11pp (academies). This will minimise the overall price increase and protect the lowest-cost opportunities for Sandwell schools.
- 4.6 It is proposed that the price for visiting “Orchard Village”, the glamping pods at Frank Chapman Centre, is reduced from 85% of the main course fee to 80% of the main course fee to reflect operational savings made in year. This will protect the lowest cost residential options for Sandwell children and provide opportunities for smaller groups / single form entry schools.
- 4.7 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, and this must be protected to generate the subsidy required to reach as many Sandwell children as possible.
- 4.8 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.
- 4.9 Sandwell Looked After Children will continue to be able to attend the centres free of charge with their schools during term-time.



- 4.10 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 2024-25 reflect this.
- 4.11 During a period of high inflation, increases to cost of living, and pressure on school budgets, many parents and schools face financial challenges. The service will continue to review efficiency and costs where possible to provide best value.
- 4.12 The Residential Education Service operates in a competitive market and has been targeted with a cost-neutral budget since April 2017.
- 4.13 Centres must generate annual income of £2.3 million to cover all revenue costs, including meeting pay awards.
- 4.14 The proposed new charges will be effective from 1 August 2024.
- 4.15 The subsidy for Sandwell maintained schools and academy schools is largely funded by commercial income generated 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 Head of Centres and Business Manager.

4.16 The current position

- 4.17 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 where they are available, and seek to ensure year-round competitiveness, especially for Sandwell schools. The sector operates with low margins. There are fewer providers post Covid-19. There is little data yet on sector prices for academic year 2024-25.



- 4.18 An increase of 7% to term time fees & charges for school year 2023-24 was approved in Autumn 2022. The increase was therefore applied to visits from September 2023 and will significantly contribute toward the target of returning a balanced budget in the financial year 2024-25.
- 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 (approx. £500k p/a) is generated by weekend visits, 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. This revenue is crucial in returning a balanced budget.
- 4.21 SRES outturn was a £167,000 surplus (underspend) in 2022-23. This was applied elsewhere in council budget and not carried forward by SRES in reserve or invested in the centres. This significant surplus was largely comprised of in-year salary savings.
- 4.22 Additional income (commercial activity described in 4.20) must be protected and increased where possible to maintain the subsidy for Sandwell children and to deliver a balanced budget.

4.21 Consultation (customers and other stakeholders)

- 4.22 The Service Manager, Heads of Centre and Business Manager 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.



4.23 Sustainability of proposals - The proposed charges support the Residential Education Service business plan. The Centres must 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. Projected income models demonstrate that a term-time occupancy level of 75% will return a balanced budget alongside the commercial income described in 4.20.

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 2023-24 levels risks a shortfall in income and difficulties in balancing the budget when expenditure has risen considerably with inflation and pay awards.

6 Implications

<p>Resources:</p>	<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 proposed charges are projected to increase term-time income by 2% - significantly below inflation as of September 2023. The financial position and commercial activity will be closely monitored and 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. It also assumes that additional (non term-time revenue) will remain at approximately £500k p/a, as demonstrated in the 3 previous financial years.</p>
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	<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. 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. The centres make a positive contribution to citizenship. There is at present a lead-in time for courses of approximately ten 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:	<p>An Equality Impact Assessment initial screening has been undertaken.</p>
Health and Wellbeing:	<p>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.</p>
Social Value	<p>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</p>
Climate Change:	<p>There are no climate change implications in this report.</p>



Corporate Parenting:	There are no implications for corporate parenting in this report.
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7. Appendices

Appendix One - Proposed term-time charges for visits to Sandwell Residential Education Centres 2024-25.

8. Background Papers

None.

