

Scrutiny Report

Call-In of the Cabinet's Decision to Close Llanrug Outdoor Education Centre

Report of the Overview and Scrutiny Steering
Committee
November 2007

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Overview and Scrutiny Steering Committee

Report on the Call-in of the Cabinet's Decision to Close Llanrug Outdoor Education Centre

November 2007

INTRODUCTION

1. The Llanrug Outdoor Education Centre is a residential centre, which has provided outdoor education courses for more than 30 years. Situated in North Wales on the edge of the Snowdonia National Park, the Centre provides a range of adventurous and educational opportunities and has residential accommodation for up to 40 students. Instruction at the Centre is carried out by a team of teaching staff under the direction of experienced Course Directors.
2. Further background facts relating to centre occupancy, income analysis and prices charged are included at Appendix 1.

BACKGROUND TO THE CALL-IN

3. On 19 July 2007, the Cabinet approved proposals in respect of the Council's Outdoor Education Centres. The decision relating to the closure of Llanrug Outdoor Education Centre on 19 July 2007 (Min No 701 (a)) was subsequently called-in on 30 July 2007. The Members calling-in the decision considered that the Cabinet, in taking the decision, had departed from the principles of decision-making as set out in Paragraph 7.2 of Article 7 of the Council's Constitution, in particular:
 - (a) due regard to all relevant and material considerations and without regard to any irrelevant considerations;
 - (b) where appropriate, the realistic evaluation of alternatives;
 - (c) proportionality (i.e. the action must be proportionate to the desired outcome);
 - (f) a presumption in favour of openness;
 - (g) clarity of aims and desired outcomes.
4. To aid consideration of the events leading up to the Cabinet's decision, a timeline of key events is included at Appendix 2.

REASONS FOR THE CALL-IN

5. In summary, the members who called the decision in were concerned that:
 - There appeared to be a significant difference between the report produced by the Outdoor Education Centre Task Group in May 2007 and that ultimately considered by the Cabinet on 19 July 2007. Further, the reasons for this change in approach were not explained as part of the Cabinet's consideration.
 - The Cabinet decision appeared to be based almost exclusively on financial considerations and appeared to have little regard to the educational implications of closure.

- There appeared to have been little evaluation of the alternative available to the Council to secure the long-term future of the Centres. The full reasons for the Call-in are attached as Appendix 3 to this report.

RESPONSE TO THE CALL-IN FROM THE CABINET MEMBER WITH RESPONSIBILITY FOR CHILDREN AND YOUNG PEOPLE

6. In response to these concerns the Cabinet Member with Responsibility for Children and Young People submitted a paper that set out how she believed the Cabinet had complied with the principles of decision making (attached as Appendix 4 to this report).

SCRUTINY ACTIVITY

7. In considering the call-in the Overview and Scrutiny Steering Committee (OSSC) has had the following discussions:

- 17 August 2007 – met with the members who called the decision in to hear the reasons for the call-in and the Cabinet Member with Responsibility for Children and Young People and the Director of Children's Services to examine how the decision was taken by the Cabinet;
- 6 September 2007 – met to discuss how to take forward the call-in in light of the evidence presented on 17 August and what further information was required;
- 24 September 2007 – visited Llanrug Outdoor Education Centre between 11am and 8pm to meet staff, see what provision was offered, observe a complete day's activities and speak to young people and teachers who use the centre;
- 4 October 2007 – met Mike Weaver, Director of Financial Services, Geoff Taylor Smith, Head of Community Partnership - Children's Services, Malcolm Williams - Head of Property Services and Carol Woolliscroft, Project Manager, Accommodation - Corporate Services, Jon Elliott and Phil Ascough, Outdoor Education Centre Managers, Wesley Ogden, Finance Officer for Outdoor Education Centres, Clive Corbett, Headteacher, Pershore High School and Teacher Association Representatives,

SUMMARY OF FINDINGS

8. Having considered the call-in, the OSSC believes that the Cabinet did not have the full facts available when reaching the decision to close Llanrug. In this sense the Cabinet departed from the principles of decision making (as set out in Paragraph 7.2 of Article 7, in particular paragraphs (a), (b), (c), (f) and (g), of the Council's Constitution). The OSSC therefore recommends that:

- i. The Cabinet reconsiders its decision and allows Llanrug Outdoor Education Centre to remain open;**
- ii. The Director of Children's Services, in conjunction with the Outdoor Education Centre Managers, develops and implements a three-year plan to achieve a revenue neutral budget for the outdoor education service;**

iii. The Director of Children's Services establishes a balanced group to oversee the implementation of the plan;

iv. The balance of membership and internal challenge should be considered when establishing operational task groups in the future.

9. The Cabinet did not give due regard to all relevant and material considerations:

- There are concerns about some of the information which Cabinet considered in making its decision. This is detailed in paragraphs 17-67;
- There is no evidence that there was an assessment of the impact of the closure of Llanrug on educational achievement, the curriculum, or the five outcomes of the Every Child/Youth Matters agenda (see paragraphs 54-65);
- Although Children's Services commissioned a report by Stephen Brown, Outdoor Education Adviser to Cambridgeshire County Council – *Does High Quality Outdoor Education occur at Malvern Hills and Llanrug Outdoor Education Centre?* - to assess the quality of provision at Llanrug, there is little evidence that any weight was given to this report in the development of the proposals put to Cabinet and by Cabinet in its deliberations.

10. There has been no realistic evaluation of alternative outdoor provision:

- On 19 July 2007 Cabinet asked for a list of alternative outdoor education providers to be made available to schools. However, we have yet to see such a list.
- No consideration appears to have been given to the difference in provision between local authority centres and commercial activity centres.

11. The decision is not proportionate to the desired outcome:

- Whilst we accept the need for the Council to make savings, and acknowledge that the Centres cannot continue to operate with the existing level of subsidy, the loss of educational value, and the impact this could have on the delivery of the curriculum, set against the financial savings which may accrue appears disproportionate.

12. There was a lack of taking of professional advice from officers:

- Whilst the Cabinet did consult with a range of professional officers, advice was not taken from the Authority's own Adviser for Educational Visits and Outdoor Education either as part of the development of proposals or as part of its deliberations on 19 July 2007.

13. The Cabinet has not had a clarity of aims and desired outcomes:

- October 2006 Cabinet's Money Matters Report proposed phased closure of Llanrug and Malvern. In February 2007 the Cabinet agreed to maintain the Outdoor Education Service. In July 2007 it agreed to close Llanrug following a report which almost entirely revolved around uncertain financial considerations.

14. Also relevant to the matter is the 2003 Best Value Review of the Council's Outdoor Education Service. It is clear that the Best Value Review Action Plan, despite being agreed by the Best Value Panel and subsequently the Cabinet, was never fully implemented. Significantly the Plan had recommended a reduction in the Council's contribution (subsidy) of 8% per year over three years. The Centre Managers told the OSSC that they were aware of the Best Value Review Action Plan but in hindsight did not give it sufficient attention and were not directed to do so by senior officers. The period following the Best Value Review was a time of considerable turmoil in line management arrangements and financial difficulties at Malvern. The Centres continued to work within the budget they had been allocated and indeed Llanrug achieved surpluses.

15. If the Best Value Review had been fully implemented, the current subsidy would now be much less and the cost reduction and income generation measures now needed would be reduced.

THE EVIDENCE GATHERED

16. The OSSC believes that the Cabinet, in taking the decision, has departed from the principles of decision-making as set out in Paragraph 7.2 of Article 7, in particular paragraphs (a), (b), (c), (f) and (g) of the Council's Constitution. The detailed reasons are set out below.

Principle of Decision Making (a): Due regard to all relevant and material considerations and without regard to any irrelevant considerations

17. We have a number of concerns about the documents considered by the Cabinet to inform their decision making. These are detailed below.

Best Value Review – February 2003

18. It is clear that the Best Value Review of the Outdoor Education Centres, and its accompanying Business Improvement Plan, despite being agreed by the Best Value Panel and subsequently the Cabinet in May 2003, was never fully implemented. Although most of the Improvement Plan had been completed by November 2004, the key recommendation that the subsidy provided by the County Council should be reduced by 8% per annum was not carried out and the implementation of the Best Value Review was noted as 'disappointing' by the Director of Financial Services (DFS).

19. The OSSC was told by the Centre Managers that they were aware of the Best Value Review Improvement Plan but it had been written by the then Policy Officer for Educational Services without involving them and they had raised concerns about it with their managers. The figures in the Business Plan attached to the Best Value Review were lower than those in the Budget Book. As a result, even if there had been an 8% reduction per annum in the subsidy from 2003/04 to 2005/06, the subsidy in 2005/06 would have been £484,987 not £430,577 as stated in the Best Value Review.

20. At 2 November 2004 Management Meeting of the Outdoor Education Service, there was a discussion about the confusion of the Best Value updates and Business Plan and it was agreed to re-write the Outdoor Education Services Operational Plan to capture both the existing Business Plan and Best Value Plan.

21. The Centre Managers accepted that in hindsight, they did not give the Improvement Plan sufficient attention and noted that they were not directed to do so by senior officers. The Finance Officer confirmed that throughout the three years covered by the Improvement Plan no one had asked him about the targets for reducing the subsidy. They stated that the period following the Best Value Review was a time of considerable turmoil, in terms of line management arrangements, financial difficulties at the Malvern Centre and the ongoing changes to Educational/Children's Services. The Centre Managers were striving to reduce the subsidy whilst facing external factors and uncontrollable cost rises such as job evaluation which meant that the Improvement Plan subsidy targets would not have been achievable. It was not clear if these points had been brought to the attention of Cabinet members.

22. The Head of Community Partnership (HCP) was asked what involvement he had had in implementing the Best Value Review. In response he stated that by the time the Best Value Review Improvement Plan (which covered 2003-06) was finally signed off in May 2003, it was too late to implement it in 2003/04. 2003/04 was a period of considerable turmoil in the management of the outdoor education service. He had joined the Council in April 2003 and, at the time, his line manager was focussed on other things. It appeared that in the midst of all this turmoil, there was a breakdown in communication between Educational Services and Education Finance, in particular about the figures used in the budget book. As a result, the subsidy target, as expressed in the Best Value Review Improvement Plan, was not built into the budget book. This meant that the Outdoor Education Centres were working to their allocated budget, and indeed Llanrug was achieving surpluses, 2003/04: £16,000, 2004/05: £14,000, 2005/06: £10,000 and 2006/07: £18,000.

23. When asked to explain where the responsibility for not fully implementing the Improvement Plan should rest, the HCP replied that budget monitoring was the responsibility of the Centre Managers who reported to their line manager and that they were aware of the Improvement Plan. Budgets were also monitored by staff in Education Finance. The HCP confirmed that he had complete confidence in the budget management skills of both the Centre Managers and it is clear that there were regular budget monitoring meetings. However these budget monitoring meetings were monitoring the wrong figures.

24. We consider that this series of events demonstrates a lack of clarity and a degree of confusion in the implementation of the Best Value Review. Given that it was accepted that the Centre Managers were able to work within budgets they were set, we can only conclude that they were not given clear instructions to work towards a reduced budget. We believe that management changes to the service i.e. five different line managers in the period 1998 – 2004 to be a contributory factor to the prevailing confusion and general lack of direction and guidance from Educational/Children's Services.

25. If the Best Value Review had been fully implemented, the current subsidy would now be much less and the cost reduction and income generation measures now needed would be reduced. We therefore consider the Authority should now give the Centres a chance to make their Business Plan succeed.

Outdoor Education Centres Review September 2006 – Strategic Procurement Manager

26. We have concerns about the financial information included in this review. Although the actual budget figures are correct, we believe that, although not intentional, we found them misleading for a number of reasons:

- they give the budget allocation for the service, not the actual costs of running the three outdoor centres (Llanrug, Malvern and Upton Warren);
- the figures included one off costs over which the Centres had no control, i.e. JNC Job Evaluation - £50,000, APT&C Job Evaluation - £31,000, and “disaggregation” (i.e. the costs of Children’s Services reorganisation) - £31,000 and although a footnote to the Report explains this we believe that it would have been more helpful to analyse the figures without these costs;
- the review re-iterates the requirement of the 2003 Best Value Review for the subsidy to be reduced by 8% year on year, to £430,000 in 2005/06. Unfortunately there are two problems with this. Firstly the figures in the Best Value Review Business Plan do not tally with the budgets for those years – in 2003/04 the net budget (subsidy) was actually £534,510, not the £496,308 given in the Best Value Review. Therefore even if the subsidy had reduced by 8% year on year, it could not have reached £430,000 in 2005/06. Secondly, no responsibility appears to have been taken by the now Children’s Services Directorate (previously known as Educational Services Directorate) to implement all of the recommendations of the Best Value Review and it is clear to us that no instruction was ever given to the Centre Managers to reduce the subsidy following the Best Value Review (see paragraphs 18 –25).

27. The Outdoor Education Service Centre Managers raised their concerns about the figures given in the Strategic Procurement Manager’s review in August 2006, but it appears their concerns were not addressed.

28. We believe that information given on the number of visitors (which shows that Llanrug has the lowest number of visitors from Worcestershire schools) could be construed as misleading as it does not spell out the differences between the centres. Llanrug has a lower bed and staffing capacity than the other two centres, and it runs longer courses. In contrast to the figures presented to the Cabinet, we found that 80% of its visitors are from Worcestershire schools and that it is used every week it is open.

29. The review did not take into account educational or quality issues.

The Report of the Outdoor Education Centre Task Group – May 2007

30. This Task Group was established by the Director of Children’s Services (DChS) in February 2007. The terms of reference were to bring forward a business case to enable the centres to operate without subsidy in the future.

31. The Task Group held its last meeting in early May and sent its report to the Director of Financial Services (DFS) who acted as the ‘independent report reader’. The final report was agreed on 14 May 2007 and subsequently submitted to Chief Officers Management Board (COMB) on 22 May 2007. COMB agreed that the report would be submitted to the Cabinet Member Briefing on 2 July 2007 to ask members to agree a way forward. Following the COMB

meeting, the DFS provided a commentary on the report (dated 6 June 2007), prior to publication on 8 June 2007. We discuss the DFS's report in paragraph 38 below.

32. As part of our investigations we were told that the Task Group had been given two months to complete this work. We were concerned that this was an insufficient period of time to carry out this work thoroughly and that possible additional sources of income, or alternative ways of providing the service whilst reducing costs, may not have been fully explored.

33. The Task Group membership was not balanced as it did not include the Director of Financial Services, Teacher Union Representatives, councillors, or the County's Adviser for Educational Visits and Outdoor Education. However it did include officers who had been involved in the implementation of the Best Value Review. We feel this was a mistake and that a greater element of impartiality and challenge should have been sought.

34. The Task Group Report detailed and costed three options for the service (detailed at Appendix 5) which in summary were:

- Option A: Close Llanrug in April 2008, reduce capacity at Malvern (close South Block), keep Upton Warren open; or
- Option B: Keep all Centres open; or
- Option C: Keep Upton Warren and Llanrug open, reduce capacity at Malvern (close South Block).

35. Two of the options suggested the closure of the Malvern South Block. In evidence given to the OSSC, the Head of Property Services and the Project Manager – Accommodation informed us of numerous safety and security issues that had been identified at the site as part of an assessment in February 2007. It was their professional opinion that the South Block had come to the end of its economic life. Although we heard that the Centre Manager felt that the Block was still useable for the foreseeable future, the officers from Property Services reiterated that the County Council had a duty of care to visitors to the Malvern site and could not ignore potential risks.

36. If Llanrug and South Block at Malvern were closed (Option A), the capacity for residential stays for Worcestershire pupils would be reduced by 70%. No evidence has been produced that assesses the impact of this on educational achievement and the curriculum (see paragraph 54). Certainly we do not feel that this risk has been quantified and considered as a balance to the financial risk.

37. We found no evidence to show that the Outdoor Education Centre Task Group met as a group to deliberate their findings and as a consequence the report is lacking a clear overall recommendation. We also feel that there is a significant difference between the thrust of the Task Group's report and the proposals ultimately considered by Cabinet. In considering the call-in we have sought to identify and understand the reasons for this change in approach.

The Future of Outdoor Education Centres operating without a subsidy – Report by Director of Financial Services – 6 June 2007

38. This report appears to have been a key document in influencing the Cabinet's decision.

39. The Director of Financial Services (DFS) confirmed that he had suggested some changes to the Task Group's report in 'a critical reviewer' role. After the Task Group report had been discussed by COMB, it was decided that there should be further analysis of the risks involved and, as a result, the DFS produced his 6 June 2007 report.

40. The DFS raised a number of concerns about the proposed Business Plan to keep the centres open without subsidy (Option C in the Task Group's report), which he concluded was "high risk" to the authority. (The Task Group had considered it medium risk.)

41. In summary he noted that: "The proposed measures to reduce costs and generate more income are largely unproven, may be impractical and tend to be unconvincing. It is difficult to make a compelling case to persevere with all three sites on a more commercial basis free of subsidy with fewer staff, more intensive use, mediocre accommodation and an unsecured customer base in a competitive market. ... Persevering with Malvern and Llanrug in the expectation that customer contributions will cover costs is very hopeful and almost certainly unrealistic."

42. We consider that the DFS' assessment of risk is highly cautious and that the Task Group's Option C Business Plan is more robust than the Cabinet has given it credit for.

43. Our comments on the Director's report are below (quotes from his report are in italics).

Cost Control

"No evidence is presented to encourage belief that moving staff to new lower cost flexible contracts would be a practical solution acceptable to staff."

44. Our investigation has found that, in fact, 12 out of 15 staff at Llanrug have already migrated to flexible and reduced/part time contracts and if necessary work extra hours on a demand basis. It was also noted that staff involved in outdoor education often welcome flexible working.

"To operate more productively to best teaching standards with safe and secure supervision means more staff time will be required than that perceived as core."

45. The Centre Managers assured us that health and safety was at all times of paramount concern. They would always ensure that sufficient core staffing levels are maintained for all activities, as this is a necessary condition of the Centres' licences. The Centre Managers confirmed that none of the measures suggested in the Task Group report would jeopardize the health and safety of children or staff. Health and safety is the number one concern for all and policies are in place at each centre to cover all aspects of risk assessment.

"The marginal cost of using staff on a call off basis virtually eliminates the perceived cost reduction gain from the new core staffing structure."

46. We have been unable to find any calculations to demonstrate this statement.

“Simply constraining core employment costs hampers the opportunity to generate more income.”

47. It is our understanding that much of the extra income to be generated under the Business Plan will be as a result of increased fees and reduced costs, rather than extra business and that if extra staff are needed they can be called in under the new style contracts.

Generating more income

“There is limited evidence that price rises in the current financial year have not significantly deterred participation at the centres but this evidence is not yet persuasive. The Llanrug and Malvern customer base has not been secured by the new pricing policy and market demand for more activity is largely unproven.”

48. We have found that, in fact, the new fees are in line with most other local authority centres and lower than those for commercial activity centres. Indeed, it appears that Llanrug has been undercharging for its services and schools would not be able to find a cheaper service elsewhere. Evidence from services elsewhere in the country suggests that, although it may take some time to be accepted, it is possible to increase fees and continue with a comparable number of bookings.

49. In addition, 93% of schools that replied to a Children’s Services survey said that they would be prepared to continue to use the centres with the new fees, and all new bookings are being taken on the basis of the revised fees. We have found that the majority of people are prepared to pay higher fees as evidenced by the healthy state of bookings at the Malvern centre (which were based on the revised fees structure) and Llanrug has maintained a number of bookings from Herefordshire schools at the higher rate.

50. We also consider it relevant that there has been a 45% increase in occupancy at Llanrug by Worcestershire schools since 2002/03 and that the Centre has exceeded its income targets every year since 2003/04 with an overall increase in income of 21% between 2003/04 and 2006/07. This does not indicate a service which would be unable to meet demands placed on it to further increase income and occupancy. Indeed, the Head of Community Partnership acknowledged the skill of the Centre Managers in bringing an overspend at the Malvern Centre under control.

51. Furthermore, the Task Group report includes a worst case scenario (version 2) which assumes no extra business being generated. Under this version, Option C has a financial risk to the authority of £15,000 in 2009/10.

Asset Conditions

“The quality of accommodation at Llanrug is not competitive enough to attract commercial customers in significant numbers. There is a well-developed market for outdoor management development training in the Snowdonia area.” The Cabinet report of 19 July 2007 further adds: *“Closing Llanrug lowers the financial risk. This is because business development in north Wales will be very challenging in a competitive market.”*

52. Our discussions have shown that the Business Plan for Llanrug is predicated on developing the existing customer base, and not on developing commercial “management development” training. It was confirmed that the service had a ‘captive market’ in terms of Worcestershire schools and it was important to get this market right in order to create more business through word of mouth from satisfied customers. However the Centre Managers acknowledged that they must continue to develop new markets in Worcestershire, such as with the Youth Service and Pupil Referral Units. They also noted that if commercial customers were to be developed, they would probably use alternative accommodation and book the Llanrug instructors and teachers.

53. The DFS plays a vital role in providing professional advice and guidance to Members, and his opinion is held in high regard by the Authority. His concerns about the financial information included in the Task Group report must be taken seriously. However, we are concerned that his report contains no explicit financial information to back up his comments. If the Task Group’s Business Plan was so unconvincing, it should not have been allowed to go through to Cabinet and we would ask why the DFS’ concerns were not addressed as an intrinsic part of the Task Group process.

Impact on Educational Achievement and the Curriculum

54. In addition to our concerns about the information the Cabinet based its decision upon, we have also found that there was little regard to the Every Child/Youth Matters Agenda. The Outdoor Education Service is supporting this agenda by offering a wide range of courses designed to meet the five outcomes (see appendix 6):

- Being Healthy
- Staying Safe
- Enjoying and Achieving
- Maintaining a Positive Contribution
- Achieving Economic Well-being

55. We think that the Cabinet did not take full regard of the effect the closure of Llanrug would have on the curriculum and the five outcomes of the Every Child/Youth Matters Agenda in the following ways:

56. Llanrug is part of the County’s three complementary outdoor experiences for children and young people. Each site offers a different and unique experience and each site relies on the other two to provide the complete outdoor education experience. To close one of them would leave a gap in the planned structure of the educational experience and leave an incomplete series of opportunities for children and young people.

57. We were told by staff at Llanrug and visiting teachers that students who attend the Outdoor Education Centres grow in self-esteem, confidence and independence. The staff at Llanrug have developed good relationships with visiting teachers and a trust and partnership in working has built up which ensures that young people get the very best from their visit. The closure of Llanrug and the South Block at Malvern would take away 70% of the tried, tested and nationally acclaimed residential experience which makes Worcestershire a leader in Outdoor Education. The closure of Llanrug Outdoor Education Centre

would remove a *“jewel in the crown of Worcestershire”* (Stephen Brown, Outdoor Education Adviser for Cambridgeshire County Council).

58. The Outdoor Centre at Llanrug is a centre for the training of teachers to achieve the required and suitable qualification for the Duke of Edinburgh scheme. This qualification is essential in schools for the teaching and education of young people towards acquiring this prestigious and valuable qualification. The self confidence and life skills which young people acquire by achieving this award are valuable when making application for University and career posts. To buy in this teacher training from other providers would be very expensive and without it the young people of Worcestershire would be at a disadvantage when compared with those from other Authorities.

59. We were told that the quality of the education provided at Llanrug far exceeds that at other alternative Centres. As well as the report by Stephen Brown, we heard from a teacher who had experience of other centres and she considered them to be inferior in the experience they provided. Other centres provided activities for young people without differentiating between the ages and abilities of the learners. Activities were provided which were designed to keep the young person amused with little regard to the learning experience. In the main, the courses were prepared by staff who were not trained teachers. Consequently in her experience, young people became bored and little education was achieved. In addition, the visiting staff were not encouraged to take part in the activities with their students but told to enjoy their free time, something the teacher we spoke to didn't approve of because the staff would be missing out on building a valuable bond with their students.

60. The quality of courses offered to 'A' level Geography students would be difficult to replicate by other providers as they tend to be tailor made for a particular group of students. The students are encouraged to develop skills for independent learning and given the guidance and help needed in this study.

61. In making the decision to close Llanrug there is no evidence that the Cabinet gave full consideration to the recent Government announcement on the importance of Outdoor Education in the curriculum. Outdoor Education encourages young people to engage in positive behaviour, develop positive relationships, not to bully and discriminate, develop self-confidence and deal with change and challenge. The teachers at Llanrug have demonstrated their commitment to their work by agreeing to move from full time to part time contracts to keep the centre open. Additionally, some teachers have been willing to work on non teaching JNC contracts.

62. There is no evidence that the Cabinet considered the value of Outdoor Education to young people who do not otherwise achieve in their school life. It underestimated the sense of well being and the positive lasting effect that attending an Outdoor Education establishment and taking part in the activities has on young people who have not previously experienced the feeling of success. This positive feeling is taken back into the school and benefits the future education of the young person and their development of life skills.

63. We did not find evidence that an assessment was made either in the Task Group Report or elsewhere of the educational impact of closing Llanrug. During our investigations we were told time and again that Outdoor Education was part of an educational experience and reached further than examination results; it can

bring the curriculum 'alive', build confidence and help develop skills for independent learning. We believe the impact of this should not be undermined.

64. In order to observe Llanrug, to better understand the provision and inform the process, time should be taken to observe the young people, the activities they undertake and their involvement in the running of the Centre. The OSSC took the time to observe young people arriving, carrying out activities, having an evening meal and participating in evening duties. We are concerned that insufficient time was taken by the three Cabinet Members in their visits to observe the range of activities undertaken and are therefore uncertain as to whether the Cabinet did have a full understanding of the value of the centre to schools and young people.

65. The Teacher Associations were concerned about the changes to the staff contracts and the subsequent lack of teachers at the centres and they felt this had not been made clear enough either to Cabinet or during the consultation on the Task Group report.

Cabinet Report – 19 July 2007

66. The DFS confirmed that he was confident that Cabinet had sufficient financial information to allow it to make its decision and pointed to paragraphs 25-28 and 32-35 of the 19 July 2007 Cabinet report. Paragraph 34 states that retaining Upton Warren and significantly restructuring the service offering at Malvern means that the net cost of maintaining the two centres would fall to £0.078 million in 2008-09 and would offer some prospect of breaking even financially during 2009-10. However it omits to mention that Option C, retaining Llanrug and closing South Block in Malvern, would cost the authority £0.098m in 2008/09 and £0.16m in 2009/10. In effect the difference between Option A (Close Llanrug and reduce capacity at Malvern) and Option C (Keep Upton Warren and Llanrug open and reduce capacity at Malvern) is £20,000 in 2008/09 and £25,000 in 2009/10.

67. In addition we are concerned that all the focus has been on the worst case scenario (version 2). The best case (version 1) put forward by the Task Group for Option C shows a net surplus of £119,500 for 2009/10. Although we accept that the authority must consider the risks of this plan, we have found no evidence to suggest that the best case would definitely not work. If the outcome was halfway between best and worst, there would be a surplus of £67,500 in 2009/10.

Principle of Decision Making (b): Where appropriate, the realistic evaluation of alternatives

68. On 19 July 2007 Cabinet asked for a list of alternative outdoor education providers to be made available to schools. However, we have yet to see such a list (although we note that there was some information on the prices charged by a number of other centres provided to COMB in January 2007).

69. No consideration appears to have been given to the difference in provision between local authority centres and commercial activity centres, and whether commercial centres can provide what schools need.

Principle of Decision Making (c): Proportionality (i.e. the action must be proportionate to the desired outcome)

70. Whilst we accept the need for the Council to make savings, and acknowledge that the Centres cannot continue to operate with the existing level of subsidy, the

loss of educational value, and the impact this could have on the delivery of the curriculum, set against the financial savings which may accrue appears disproportionate.

Principle of Decision Making (d): Due consultation and the taking of professional advice from officers

71. Whilst the Cabinet did consult with a range of professional officers we were concerned to find that the Cabinet did not consult with the authority's own Adviser for Educational Visits and Outdoor Education.

72. An outside adviser's view of Worcestershire's outdoor education provision was commissioned in December 2006. Stephen Brown, Outdoor Education Adviser for Cambridgeshire County Council reported in December 2006 that "Worcestershire has an Outdoor Service that would be the envy of many other Local Authorities for a number of clear reasons...". Despite this glowing assessment, we found little evidence that any weight was given to this report in the development of the proposals put to Cabinet and by Cabinet in its deliberations.

Principle of Decision Making (f): A presumption in favour of openness

73. The work of the Outdoor Education Centre Task Group was completed in May 2007 and its report was published on the County Council's website in June 2007. We heard that the report was presented to COMB without any steer as to which was the Task Group's preferred option. When the Cabinet report was published on 10 July 2007 it included a clear recommendation that the Llanrug Centre should be closed. Despite putting the question to a number of witnesses, we have been unable to establish on whose authority the recommendation was drafted. There appears to have been a substantial change of direction between completion of the Task Group's report and publication of the Cabinet report and we have been unable to establish an audit trail showing how and why this change happened. We do not feel that this reflects a presumption in favour of openness in the Cabinet's decision making process.

Principle of Decision Making (g): Clarity of aims and desired outcomes

74. In October 2006 Cabinet's money matters report proposed phased closure of Llanrug and Malvern. In February 2007 the Cabinet agreed to maintain the Outdoor Education Service. In July 2007 it agreed to close Llanrug.

75. Several members of the Task Group were shocked at the recommendation that went to Cabinet as they had been under the impression that the Task Group's role was to develop a way forward for all three centres. However, when the Cabinet considered the future of the Centres on 19 July 2007 the report before them appeared to almost entirely revolve around financial considerations. We have been unable to establish why Llanrug was chosen for budget savings, given the costs of running the other centres.

Conclusion

76. In the last six years a number of plans for the financial management of the Outdoor Education Centres have been produced - the Medium Term Financial Plan, the Best Value Plan, the Task Group's Business Plan - but none have been implemented or given the opportunity to work. If the Cabinet was truly supportive

of Outdoor Education we consider it should allow sufficient time for the business plan to be implemented, as whilst all can have opinions, only time will tell if the plan will be successful.

77. Having considered the call-in, the OSSC believes that the Cabinet did not have the full facts available when reaching the decision to close Llanrug. In this sense, the Cabinet departed from the principles of decision-making (as set out in Paragraph 7.2 of Article 7, in particular paragraphs (a), (b), (c), (f) and (g), of the Council's Constitution). The OSSC therefore recommends that:

- (i) The Cabinet re-considers its decision and allows Llanrug Outdoor Education Centre to remain open;**
- (ii) The Director of Children's Services, in conjunction with the Outdoor Education Centre Managers, develops and implements a three-year plan to achieve a revenue neutral budget for the outdoor education service;**
- (iii) The Director of Children's Services establishes a balanced group to oversee the implementation of the plan;**
- (iv) The balance of membership and internal challenge should be considered when establishing operational task groups in the future.**

BACKGROUND INFORMATION RELATING TO LLANRUG OUTDOOR EDUCATION CENTRE

CENTRE OCCUPANCY NUMBERS FROM APRIL 2002 THROUGH TO MARCH 2008

Year	Worcester Schools	Non Worcester Schools/	Other (ML/WGL)	Total
2002/2003	752	259	36	1047
2003/2004	888	360	39	1287
2004/2005	943	290	25	1258
2005/2006	1006	332	19	1357
2006/2007	1163	344	31	1538
2007/2008	1093	333	29	1455

**Llanrug Outdoor Centre
Income Analysis 2002 to 2007**

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07
Income budget	£206,100	£209,700	£224,300	£229,351	£230,150
Income achieved	£190,637	£216,963	£223,448	£249,937	£263,291
Percentage of budget achieved	92.5%	103.5%	99.6%	109.0%	114.4%
Increase achieved on prior years income		13.8%	3.0%	11.9%	5.3%

Prices Charged at Llanrug (as supplied by Centre Managers)

	In-county (£)	Out-county (£)
01/02	27	40
02/03	28	42
03/04	29	44
04/05	32	46
05/06	33	47
06/07	34	48
April 07- Aug 07	36	50
Sept 07- Mar 08	40	50

APPENDIX 2

TIMELINE OF KEY EVENTS FEBRUARY 2003 TO JULY 2007

<u>Date</u>	<u>Event</u>
February 2003	Best Value Plan Report published
December 2003	Review of Management Structure – Geoff Taylor-Smith
September 2004	Bill Taylor appointed as Adviser for Educational Visits and Outdoor Education
October 2004	Update of Best Value Plan to COMB
November 2004	Best Value Plan and Existing Business Plan to be rewritten
January 2005	Discussion re: revised Business Plan
July 2006	Michael Howard – Review of Outdoor Education
September 2006	Michael Howard presents review to COMB
3 October 2006	Geoff Taylor-Smith and Colin Weeden announced the closure of Llanrug and Malvern to centre staff
10 October 2006	Medium Term Financial Plan 2006-2010 agreed at Cabinet - Money Matters Report to Cabinet to develop Upton Warren and eliminate subsidy for Llanrug and Malvern through phased closure by 2008
November 2006	Following major concerns raised by the centres, the OEC managers were tasked with developing a business plan which would keep the centres open but reduce the subsidy to zero over three years.
6 December 2006	Business plan figures to financial services
16 January 2007	Business Plan presented to COMB
6 February 2007	Task and Finish Group commissioned
9 February 2007	Cabinet – Task Group to produce a sustainable plan for Outdoor Education Centres becoming financially viable
Early May 2007	Task Group Report to Director of Financial Services
14 May 2007	Task Group Report – final
22 May 2007	Task Group Report - COMB
6 June 2007	The Future of Outdoor Education Centres Operating without a Subsidy Task Group Report – Director of Financial Services makes comments
8 June 2007	Task Group Report - published
19 July 2007	Cabinet – Recommendation to close Llanrug

Source: *Outdoor Education Centre Managers*

FULL REASONS FOR THE CALL-IN

Closure of Llanrug Outdoor Education Centre

The Cabinet decision of 19 July 2007 relating to the closure of Llanrug Outdoor Education Centres (Min No 701(a)) has been called-in.

We consider that the Cabinet, in taking these decisions, departed from the principles of decision-making as set out in paragraph 7.2 of Article 7 of the Council's constitution – in particular:-

- (a) due regard to all relevant and material considerations and without regard to any irrelevant considerations;
- (b) where appropriate, the realistic evaluation of alternatives;
- (c) proportionality (ie the action must be proportionate to the desired outcome);
- (f) a presumption in favour of openness; and
- (g) clarity of aims and desired outcomes

Following the Call-In a meeting was held on 7 August 2007 to produce a more detailed elaboration of the reasons our Call-In.

The following Members attended: Sue Askin, Jo Hodges, Robin Lunn, Penelope Morgan, Rob Peachey, Liz Tucker and Tom Wells.

Our principal concern revolves around the relationship between the work and report of the Task Group and the report ultimately considered by the Cabinet.

The Task Group was established with specific terms of reference and this focussed on identifying ways of promoting the Centres and ensuring their future viability. It aimed to identify partners, models of service delivery and financial models which would support and sustain the Centres in the future.

The Task Group's report proposed a new vision for outdoor and environmental learning, identified options for continuing to provide the service under Council control and briefly profiled five potential alternative delivery options through external providers. The delivery of the new business plan was predicted on the new 'Outdoor and Environmental Learning Service' being required to manage effectively the relationship between business volume, income and costs and to know systematically how well the business was performing against its objectives. The report further advocated new line and performance management arrangements and brought forward Marketing proposals.

Centre Manager had assisted in the development of the proposals which supported the Council's vision. Head Teachers contributions to 'building the case' had also been welcomed throughout the process.

However, when the Cabinet considered the future of the Centres on 19 July 2007 the report before them came appeared to almost entirely revolve around financial considerations.

Of particular concern was the fact that having asked the Task Group to produce proposals no feedback was forthcoming on the proposals were not viable or flawed in any way. Evaluation of the issues highlighted by the Task Group was extremely limited in the Cabinet report. Even more limited were the Cabinet's reasons for not pursuing the alternatives it had before it.

There appears to be a lack of clarity as to how the Council views (and treated) the Outdoor Education Centres and the facilities they had to offer. The Council's vision appears to view them as an educational resource yet unlike other educational resources the Centres are expected to operate as wholly commercial enterprises.

Whilst the sale of Llanrug would generate a capital receipt which would be invested in the remaining Centres, little information had been forthcoming about how much that receipt may be and how it would be invested. Also information on the investment necessary at all centres had not been provided.

Putting the issue of the Capital Receipt aside the closure of Llanrug would save the Council £195,000 in subsidy. There would undoubtedly be costs incurred as a consequence of the closure. The Council appears to be abdicating its wider responsibilities for a short-term financial fix.

Part of the justification for the decision is the need to fund maintenance works which are said to be necessary at Malvern. However we are not clear about the extent of the works necessary nor are we clear about their cost and how vital they are in the immediate future.

The loss of educational value set against the financial saving appears disproportionate. There also appears to be little recognition of the public and educational appreciation for the services offered by the Centres.

We also expressed a concern about timescales. Given that the Council's Corporate Strategy Week is due to commence on 17 September 2007 there would be merit in ensuring that any conclusions have been finalised prior to the start of the corporate Strategy week.

In summary we believe that:-

- There appears to be a significant difference between the report produced by the Task Group and that ultimately considered by the Cabinet. Further the reasons for this change in approach have not been explained as part of the Cabinet's consideration.
- The Cabinet decision appears to be based almost exclusively on financial considerations.
- There appears to have been little evaluation of the alternatives available to the Council to secure the long-term future of the Centres

In response to the reasons for the call-in the Cabinet Member with responsibility for Children and Young people's response is set out below:

- a) **Did the Cabinet pay due regard to all relevant and material considerations and without regard to any irrelevant considerations?**

The Cabinet considered:

- 1) The original analysis of the procurement officer Michael Howard that looked at the cost of the centres
- 2) The Report of the Outdoor Education Centre Task Group May 2007.
- 3) The future of Outdoor Education Centres operating without a subsidy – report by Director of Financial Services – 6th June 2007.
- 4) Joint Teacher Union response to the consultation on Outdoor Education and letter from Unison concerning impact on staff, risks thereon, potential loss of teacher posts comparison of teacher and instructor impact.
- 5) Responses from the consultation including those from other Outdoor Education Centres, WOEDA, schools, parents, children and young people, Duke of Edinburgh's Award Leaders Forum, Manager of Accreditation for the Institute of Outdoor Learning, SEN schools, Previous Finance Officer for the Outdoor Education Services to 30th June 2007, National Chair Association of Heads of Outdoor Education Centres, Staff WCC, Members WCC. The list is not exhaustive.

A full understanding of the number of activity days, residential evenings and staffing establishment at the centres was achieved. The impact of the length of stays per centre was understood.

Visits were undertaken by the Leader and Cabinet Members.

Discussions were held by Cabinet Member with other Directors and Lead Members at National and Regional meetings to establish alternatives and their views.

The importance of Outdoor Education and its value to young people was researched. Its position within the 'learning outside the classroom manifesto' was well understood.

The Cabinet Member requested an outside adviser's view of our Educational offering.

Cabinet Members had an understanding from the 06/07 Corporate Priorities week September 06 of the duties and challenges affecting Children's Services.

The view of schools supporting the centres was known. Out of 126, 112 responded positively, only 7 were not positive in connection with the proposed increase in fee structure to support the schools. However the risk schools

identified around their views being 'subject to parents willingness to pay' was also identified.

The concerns around future Duke of Edinburgh Award programmes was understood as was the fact that the Awards programmes had been taking place without the centres for many years.

External rescue proposals were well articulated in the Task and Finish Group report. (It should be noted subsequent approaches are also being followed up)

The low historic usage by schools was known and documented the wide range of schools initiatives within UK and international were not quantified but articulated by many lead teachers during the period Sept 06 to June 07.

b) The Cabinet did, where appropriate, appreciate there had been a realistic evaluation of alternatives

- 1)The Cabinet rather than go for the option with the least financial risk chose to support Outdoor Education.
- 2)The Cabinet made a decision to reinvest in Outdoor Education in two ways:
 - i. The Bursary
 - ii. The reinvestment of the proceeds from Llanrug
- 3)The Cabinet at the time of the original analysis of the procurement officer asked for a list of other available centres providing education experiences within 1 hour of the County and in Wales or other mountainous regions.
- 4)The Cabinet decision committed to an update report on all alternative centres offering accredited educational experiences be made available to schools.
- 5)Each external approach was taken very seriously and pursued rigorously.
- 6)There was a real understanding by Cabinet of the difference between Outdoor Education and Outdoor Activities

c) Did the decision reflect proportionality (was the action proportionate to the desired outcome)?

It is clear that the officers recommendations in the Cabinet report identifies that keeping all three centres open was high risk. The Cabinet decision had to balance the high financial risks set out in the paper with the educational value of outdoor education. Cabinet considered the particular additional value of a water based outdoor offering in a land locked county and the challenge achieved at Malvern and Upton Warren by the ropes courses. The Cabinet would have been negligent to ignore the professional officer health and safety recommendations in connection with Malvern buildings.

Given risk was a major part of the decision making, the Cabinet's decision reflects a proportionate balance between risk and its understanding of the value of outdoor education.

Cabinet did not follow the financial option within the body of the paper to close all three centres. Cabinet was minded to err on the side of educational outcomes.

Proportionality is supported by the outcome, which still enables Worcestershire County Council's actions to fit within Alan Johnson's 'Learning outside the classroom' manifesto.

It is proportionate bearing in mind the high financial risk of the status quo and the required annual savings target of Children's Services in the context of its significant duties towards children in care and children in need.

d) Was there a presumption of openness?

Yes, scrutiny is understood to have had full sight of all information behind the decision making during a period September 06 and June 07. The same access as the Cabinet.

The budget process 06/07 clearly set out the issues around outdoor education management and delivery and how the consultation would be handled.

The task and finish group involved centre managers, included representatives of the teaching profession, those with procurement skills and management skills. In view of the election period coinciding with the task and finish group work, no member including the Cabinet Member was involved in a spirit of even-handedness.

Paragraphs 9, 10, 13, 21, 27, 29, 30, 31 in the Cabinet report and several significant sections of the task and finish group report are clearly very open about the fact such a difficult decision will cause disgust.

Par 13 – updates task and finish group information

Par 21 – identifies external contacts

Par 27 – identifies the risks around the timescales

Par 29 – identifies the risks to the Council's reputation

Par 30 and 31 – identifies the risks to the key relationships

All letters arising from the consultation have been made available to all members.

e) Clarity of aims and desired outcomes

Cabinet wished to:

- 1) Retain outdoor education in a sustainable way within the County as best it could given the financial climate, the Council's £25m to be saved 2007-2010.
- 2) Cabinet was aware that whatever the outcome or decision the County Council still bears responsibility for health and safety promotion and education

Cabinet had identified during the period it focussed on outdoor education, a lack of even accessibility in some areas – the bursary provision was proposed to address this aspect by the Cabinet Member.

The Cabinet, given Worcestershire is a land locked County where children and young people have less exposure to the dangers of water, made a decision to retain and enhance Upton Warren.

The Cabinet wished to ensure outdoor education was a strong component in the centres' curriculum offering in its widest sense.

f) The difference between the report produced for Cabinet by the task group and the Cabinet report.

Whilst the task and finish group produced a business case, this business case did not stand up to financial scrutiny which came from the consultation period.

Cabinet did not consider the Cabinet report in isolation as identified in (a).

g) Cabinet decision appears to be based almost exclusively on financial consideration.

This is clearly not the case – had it been the case then the outcome would have been the closure of 3 centres (lowest risk), 2 centres (medium risk).

All the relevant details considered by Cabinet are itemised in (a).

h) There appears to have been very little evaluation of alternatives.

The task and finish group report articulates otherwise as does the Cabinet paper.

THREE OPTIONS FOR THE FUTURE OF THE OUTDOOR EDUCATION SERVICE TAKEN FROM THE TASK GROUP REPORT

Option A

Keep Upton Warren open

Close Llanrug in April 2008

Reduce capacity at Malvern (close South Block)

Option A is largely impacted with the closure of the Llanrug Centre. There would be the loss of income generation if we close Llanrug and reduce the capacity of Malvern but this would be offset in some degree by the corresponding cost and risk reductions. However, there would be financial consequences resulting from the need to meet redundancy and severance payments, and costs associated with keeping the unused site safe pending disposal.

In the following table, both V.1 and V.2 still show a subsidy requirement for 2008/09 and this deficit would have to be added to the 2009/10 target.

It is important to note that option A operates on a reduced staff structure at Malvern as well as the introduction of new activities. There are a number of considerable risks associated with these two important changes.

Option A is dependent on staff accepting changes to the structure at Malvern, which includes reduced contracts for a number of staff. This may result in the loss of key people in the new structure. It will also be important to secure a suitable, temporary workforce to provide 'support' when the need arises.

OUTDOOR EDUCATION SERVICE - OPTION A

Close Llanrug in April 2008.

Reduce capacity at Malvern (close South Block).

Keep Upton Warren open.

	2006/07 0	2007/08 1	2008/09 2	2009/10 3
<u>CENTRE EXPENDITURE:</u>				
Total Employee Costs	(1,250,000)	(1,247,000)	(643,000)	(662,000)
Total Premises Costs	(174,000)	(177,000)	(100,000)	(107,000)
Total Transport Costs	(73,000)	(65,000)	(27,000)	(28,000)
Total Supplies & Services Costs	(282,000)	(244,000)	(114,000)	(117,000)
TOTAL CENTRE EXPENDITURE	(1,779,000)	(1,733,000)	(884,000)	(914,000)
<i>Cost reduction</i>	<i>N/a</i>	<i>3%</i>	<i>49%</i>	<i>N/a</i>

CENTRE INCOME:

Total Fee Income v.1 (based on Centre Manager projections)	1,077,000	1,210,000	917,000	955,000
Income increase/-decrease v.1	N/a	12%	-24%	4%
Additional planned income - Tenting at Upton			35,000	35,000
Additional £1 increase (over & above budgeted increases)			32,000	32,000
Teacher training (Inset Courses 5 x 1 day courses)			2,500	2,500
Corporate days Malvern			2,500	2,500
Corporate days Upton			15,000	15,000
Use of facilities by Children's Services			5,000	5,000
CENTRES - NET SURPLUS/(DEFICIT) v.1	(702,000)	(523,000)	125,000	133,000

Total Fee Income v.2 (based on actual courses booked for 2007/08)	1,077,000	1,205,000	865,000	903,000
Income increase/-decrease v.2	N/a	12%	-28%	4%
Additional projected income (as above)			92,000	92,000
CENTRES - NET SURPLUS/(DEFICIT) v.2	(702,000)	(528,000)	73,000	81,000

ADDITIONAL CENTRAL BUDGET EXPENDITURE:

Marketing & development		(31,000)	(31,000)	(31,000)
Finance officer		(16,000)		
Equipment & buildings			(50,000)	(21,000)
Demolition & clearance of South Block, Malvern			(50,000)	
Salary capping costs			(20,000)	(20,000)
TOTAL CENTRAL BUDGET EXPENDITURE	0	(47,000)	(151,000)	(72,000)
TOTAL NET SURPLUS/(DEFICIT) v.1	(702,000)	(570,000)	(26,000)	61,000
TOTAL NET SURPLUS/(DEFICIT) v.2	(702,000)	(575,000)	(78,000)	9,000

Assumptions:

1. Version 1 assumes new course structure for each location (high risk based on current bookings) and course fee increase.
2. Version 2 assumes current level of bookings and course fee increase.
3. Note that additional central budget expenditure could be reduced if Option B is progressed.

4. Versions 1 & 2 extended assumes NET profit as additional staff costs have been taken out (therefore not added to expenditure section).

NB. It would be important to establish the true cost of closure:

- redundancy;
- actuarial strain, if any;
- keeping premises safe pending disposal.

Option B

Keep all Centres open

Option B is based on all Centres remaining open, with limited staff restructuring.

There are some serious issues with regard to the condition of some of the existing buildings, which are economically unviable in terms of their maintenance costs. In particular, at the Malvern site some of the buildings need urgent replacement. The South Block accommodation building is not insulated, has asbestos and being of timber construction is high fire risk. Given the condition of this building generally, there are also risks of intruder access via the bedroom windows. In addition, both the classroom block and dining facilities would need to be replaced, with the additional cost of temporary facilities being supplied whilst new ones are erected. The removal and replacement of these buildings is estimated to be £1million. This capital investment, would cost in the region of £100,000 per year. This clearly makes Option B unworkable within the existing financial constraints of the County Council.

N.B.

Following a review of essential maintenance in February 2007, improvements to the fire exit routes in Block B accommodation as well as some structural work to stabilise (currently slipping down the hill) the classroom block have already been agreed.

OUTDOOR EDUCATION SERVICE - OPTION B

Keep all centres open

	2006/07 0	2007/08 1	2008/09 2	2009/10 3	
<u>CENTRE EXPENDITURE:</u>					
Total Employee Costs	32	(1,250,000)	(1,247,000)	(1,152,000)	(1,187,000)
Total Premises Costs		(174,000)	(177,000)	(155,000)	(162,000)
Total Transport Costs		(73,000)	(65,000)	(41,000)	(43,000)
Total Supplies & Services Costs		(282,000)	(244,000)	(206,000)	(213,000)
TOTAL CENTRE EXPENDITURE		(1,779,000)	(1,733,000)	(1,554,000)	(1,605,000)
<i>Cost reduction</i>		<i>N/a</i>	<i>3%</i>	<i>10%</i>	<i>N/a</i>
<u>CENTRE INCOME:</u>					
Total Fee Income v.1 (based on Centre Manager projections)	1,077,000	1,210,000	1,571,000	1,625,000	
Income increase/-decrease v.1	N/a	12%	30%	3%	
Additional £1 increase (over & above budgeted increases)			48,500	48,500	
Corporate days Llanrug & Malvern			5,000	5,000	
Corporate days Upton			15,000	15,000	
Llanrug additional nights			32,000	32,000	
Teacher training (Inset Courses 10 x 1 day courses)			5,000	5,000	
Use of facilities by Children's Services			5,000	5,000	
CENTRES - NET SURPLUS/(DEFICIT) v.1		(702,000)	(523,000)	127,500	130,500
Total Fee Income v.2 (based on actual courses booked for 2007/08)	1,077,000	1,205,000	1,436,000	1,490,000	
Income increase/-decrease v.2	N/a	12%	19%	4%	
Additional planned income (as above)			110,500	110,500	
CENTRES - NET SURPLUS/(DEFICIT) v.2		(702,000)	(528,000)	(7,500)	(4,500)
<u>ADDITIONAL CENTRAL BUDGET EXPENDITURE:</u>					
Marketing & development		(31,000)	(31,000)	(31,000)	
Finance officer		(16,000)			
Equipment & buildings			(50,000)	(21,000)	
Salary capping costs			(20,000)	(20,000)	
TOTAL CENTRAL BUDGET EXPENDITURE		0	(47,000)	(101,000)	(72,000)
TOTAL NET SURPLUS/(DEFICIT) v.1		(702,000)	(570,000)	26,500	58,500
TOTAL NET SURPLUS/(DEFICIT) v.2		(702,000)	(575,000)	(108,500)	(76,500)

Assumptions:

- Version 1 assumes new course structure for each location (high risk based on current bookings) and course fee increase.
- Version 2 assumes current level of bookings and course fee increase.

3. Versions 1 & 2 extended assumes NET profit as additional staff costs have been taken out (therefore not added to expenditure section).

NB. This model would require circa £1M capital investment in the replacement of buildings at Malvern. The cost of this investment would be in the region of £100,000 per year. This makes option B unworkable within the existing financial constraints of the County Council.

Option C
Keep Upton Warren and Llanrug open.
Reduce capacity at Malvern (close South Block)

Based on the increased number of courses and the additional projected new income, Option C appears to offer the best return based on V.1. Even if we were to consider the 'worst case scenario', V.2 in the following table shows an almost breakeven figure by year 2009/10. The continuation of the 3 outdoor education sites clearly creates more scope for the developments outlined to be taken forward and the full range of sites and resources allow for a greater variety of potential income streams. To support the new income from the summer Tepee proposal at Malvern, the South Block would need to be demolished, removed and replaced with a suitable base for the tepees. The demolition and removal of this building is estimated to be £50,000, which has been factored into this model. Any demolition/removal would have to be very carefully planned to avoid disruption to other courses being delivered which could result in further financial penalties.

Option C is dependent on staff accepting changes to the structure at Malvern and Llanrug, which includes reduced contracts for a number of staff. This may of course result in the loss of key people in the new structure. It will also be important to secure a suitable, spot purchased workforce to provide 'support' when the need arises.

There is a greater dependency on the generation of new/additional income in Option C with a projected value of £145,000.

OUTDOOR EDUCATION SERVICE - OPTION C

Keep Upton Warren and Llanrug open as they are.

Reduce Malvern capacity (close South Block).

	2006/07 0	2007/08 1	2008/09 2	2009/10 3
<u>CENTRE EXPENDITURE:</u>				
Total Employee Costs	(1,250,000)	(1,247,000)	(914,000)	(941,000)
Total Premises Costs	(174,000)	(177,000)	(138,000)	(148,000)
Total Transport Costs	(73,000)	(65,000)	(41,000)	(43,000)
Total Supplies & Services Costs	(282,000)	(244,000)	(172,000)	(177,000)
TOTAL CENTRE EXPENDITURE	(1,779,000)	(1,733,000)	(1,265,000)	(1,309,000)
<i>Cost reduction</i>	<i>N/a</i>	<i>3%</i>	<i>27%</i>	<i>N/a</i>

CENTRE INCOME:

Total Fee Income v.1 (based on Centre Manager projections)	1,077,000	1,210,000	1,308,000	1,355,000
Income increase/-decrease v.1	N/a	12%	8%	4%
Additional planned income - Tepee experience at Malvern			35,000	35,000
Additional £1 increase (over & above budgeted increases)			48,500	48,500
Corporate days Llanrug & Malvern			5,000	5,000
Corporate days Upton			15,000	15,000
Llanrug additional nights			32,000	32,000
Teacher training (Inset Courses 10 x 1 day courses)			5,000	5,000
Use of facilities by Children's Services			5,000	5,000
CENTRES - NET SURPLUS/(DEFICIT) v.1	(702,000)	(523,000)	188,500	191,500
Total Fee Income v.2 (based on actual courses booked for 2007/08)	1,077,000	1,205,000	1,173,000	1,220,000
Income increase/-decrease v.2	N/a	12%	-3%	4%
Additional planned income (as above)			145,500	145,500
CENTRES - NET SURPLUS/(DEFICIT) v.2	(702,000)	(528,000)	53,500	56,500

ADDITIONAL CENTRAL BUDGET EXPENDITURE:

Marketing & development		(31,000)	(31,000)	(31,000)
Finance officer		(16,000)		
Equipment & buildings			(50,000)	(21,000)
Demolition & clearance of South Block, Malvern			(50,000)	
Salary capping costs			(20,000)	(20,000)
TOTAL CENTRAL BUDGET EXPENDITURE	0	(47,000)	(151,000)	(72,000)
TOTAL NET SURPLUS/(DEFICIT) v.1	(702,000)	(570,000)	37,500	119,500
TOTAL NET SURPLUS/(DEFICIT) v.2	(702,000)	(575,000)	(97,500)	(15,500)

Assumptions:

1. Version 1 assumes new course structure for each location (high risk based on current bookings) and course fee increase.
2. Version 2 assumes current level of bookings and course fee increase.

3. Versions 1 & 2 extended assumes NET profit as additional staff costs have been taken out (therefore not added to expenditure section).

SUMMARY

There are clearly a number of very different options to be considered in regard to the future of the Outdoor Education Service. Option B (keep all centres open) is judged unworkable because of the need to invest £1M in the replacement of buildings at Malvern. The highest financial risk, Option C (keep Upton Warren and Llanrug open, reduce capacity at Malvern, close South Block) is medium risk and Option A (keep Upton Warren open, close Llanrug in April 2008, reduce capacity at Malvern) is medium risk but lower than Option C.

In order to ensure that the subsidy is withdrawn as planned, it is essential to remain focussed on the timescales and activities, which are critical to the delivery of the removal of the subsidy. Costs will need to be reduced by delivering the staffing restructuring and removing the South Block at Malvern from use. Income will need to be increased by fully implementing the new pricing structure and increasing business volume by successfully selling 'new products' and penetrating new markets. A large number of schools have already given a firm commitment to support the centres. This will need to be sustained overtime and more schools attracted to using the centres throughout the year.

Options A and C are both based on the implementation of a new and reduced staffing structure but this will need to be carefully planned to support any changes to the 'product delivery'. To achieve the identified staff related savings in 2008/09 the HR process must begin in August 2007. Existing staff are based on a number of different Contracts and it would be essential to allocate a period of at least 6 months to consult with staff and implement the new structures by March 2008.

Given the seasonal and cyclical nature of the courses provided and booking trend, the customer base (schools) would need to have adequate notice in regard to any changes in the 'product availability and delivery'. The projected figures are dependent upon a very high take up of new and additional activities. This income is seriously at risk if these new activities are not marketed effectively.

Failure to provide specific and timely information in 2007/08 could result in the customer base migrating to other suppliers and therefore impacting the projected financial incomes in any of the options.

Whichever option is selected for implementation, for all future bookings, it is important that deposits are paid when bookings are taken. This should go some way towards preventing courses being cancelled at short notice, and maximising the revenue income for each centre.

Worcestershire’s Outdoor Education Service: Supporting the Every Child/Youth Matters Agenda

The Service can support these agendas through the provision of a wide programme of courses designed to meet the specific needs of groups.

The five outcomes	How Outdoor Education experiences contribute to the outcomes
<p><u>Being healthy</u> Children and young people are: physically, mentally, emotionally and sexually healthy; have healthy lifestyles; and choose not to take illegal drugs.</p>	<p>Develops positive self image through involvement Encourages Young People to accurately assess their own ability and positively tackle personal challenge Encourages understanding of link between energy output and healthy eating Encourages making positive life choices and setting of realistic personal development goals Raises self esteem and self confidence, enabling young people to present themselves confidently Develops awareness of the needs of others Encourages taking responsibility for self and others Enables young people to identify and overcome barriers to progress Trained Visit Leaders have raised awareness of pursuing this as a visit/activity outcome</p>
<p><u>Staying safe</u> Children and young people are: safe from accidental injury and death; safe from maltreatment, neglect, violence and sexual exploitation; are safe from bullying and discrimination; safe from crime and anti-social behaviour and have security and stability.</p>	<p>Enables practical involvement in safety education – understanding and managing risk Teaches recognising risk and taking appropriate action – practical involvement in real risk assessment Develops being able to interpret and act on instructions Encourages the acceptance of responsibility for own actions and role in safeguarding others Helps identify challenging inappropriate behaviours Creates clearer understanding of roles and responsibilities Increases self esteem Trained Leaders have better appreciation of off-site visit guidance</p>

	<p>Trained Leaders have better appreciation of risk management for visits Trained Leaders seek to involve young people in their own risk management.</p>
<p><u>Enjoying and achieving</u> Children are ready for school; children and young people attend and enjoy school; achieve educational standards at primary school; achieve personal and social development and enjoy recreation; and achieve educational standards at secondary school.</p>	<p>Develops working co-operatively and understanding the roles and contributions of others Encourages the acknowledging and celebrating of positive achievement Offers opportunity for multi-sensory learning Develops lifestyle choices Encourages developing and using different ways of learning Offers experiences that complement and reinforce classroom learning Encourages the setting and working towards high personal targets, aiming to achieve to best of ability Develops positive relationships with leaders/supervisors Develops positive behaviour Uses review / reflection to support personal development Provision of curriculum related academic fieldwork Develops and fosters a long term appreciation of different environments Trained Leaders offer young people enriching and broadening experiences – sometimes life-changing Introduces young people to fulfilling leisure activities Teaches that endeavour and discomfort can be enjoyed retrospectively where challenge leads to fulfilment</p>
<p><u>Making a positive contribution</u> Children and young people: engage in decision-making, and support the community and environment; engage in law-abiding and positive behaviour; develop positive relationships and choose not to bully and discriminate; develop self-confidence and successfully deal with significant changes and challenges; and develop enterprising behaviour.</p>	<p>Promotes co-operation with others in complex tasks requiring team work (eg living in a residential community) Develops creative thinking and positive approaches to problem solving in realistic and challenging situations Teaches how to identify others' needs and provide appropriate support Teaches how to give and receive constructive feedback Teaches how to modify actions to promote positive relationships with others Teaches the importance of speaking clearly and contributing appropriately to group discussion Teaches the importance of recognising and achieving success Teaches understanding, recognising and accepting the key roles within a team Develops understanding and developing the concept of leadership</p>

	<p>Encourages the accepting responsibility for personal organisation</p> <p>Encourages taking responsibility for others, not just self</p> <p>Encourages volunteering</p> <p>Pushes boundaries</p>
<p><u>Achieving economic well being</u></p> <p>Young people: engage in further education, employment or training on leaving school; are ready for employment; children and young people live in decent homes and sustainable communities; have access to transport and material goods; and live in households free from low-income.</p>	<p>Provides formal training opportunities for young people (eg modern apprenticeship)</p> <p>Supports the 14/19 curriculum through alternative options and choices</p> <p>Develops Key Skills for life and work</p> <p>Signposts positive life choices and engaging in appropriate courses eg DEA; BELA; CSLA</p> <p>Encourages working with partners to establish joint provision</p> <p>Provides for young people at risk of exclusion</p> <p>Encourages the adoption of sustainable lifestyle choices</p>

In addition to the direct provision for young people within the Outdoor Centres, the Service provides:

- Practical support, advice, guidance and training on the planning, organisation and safe delivery of all types of off site visits. This is achieved through EVC and Visit Leader training courses
- Specialist training and assessment opportunities (eg relevant national Governing Body Leadership/Instructional/Coaching Awards) for Teachers and Youth Leaders
- Professional development opportunities through active participation in outdoor education experiences
- Advice and support to LA Officers in a range of Divisions/Departments
- Health and Safety guidance and support to the LA

Bill Taylor, Adviser for Educational Visits and Outdoor Education, January 2006