

NORTH YORKSHIRE COUNTY COUNCIL

EXECUTIVE MEETING

Tuesday 16 February 2021

Review of Traded Services in Education and Skills due to Covid-19

Report of the Corporate Director for Children and Young People's Service

1. EXECUTIVE SUMMARY

- 1.1. To seek approval to implement immediate short-term solutions to address the financial shortfall facing the Outdoor Learning Service due to the impact of the Coronavirus pandemic. This would include mothballing both sites (include winterising both sites and draining down services, plus the installation and monitoring of CCTV systems) and commencement of consultation to reduce staffing.
- 1.2. To seek approval for a strategic review of the service with the ambition to ensure a long-term sustainable operating model is developed and established, subject to detailed consideration and approval of a business case by the Executive later in 2021.

2. CONTEXT

- 2.1. The Education and Skills Service has responsibility for the delivery of a number of key traded services for schools. Many services have been adjusted or restricted in their delivery over the last 12 months; small group music teaching is delivered via video link, training for teachers and governors has been digitalised and delivered remotely and although very few meetings have taken place in school buildings, much of the traded delivery has continued.
- 2.2. The Outdoor Learning Service (OLS) was forced to close to all customers in March 2020. Since this time Department for Education (DfE) guidance has advised against residential school visits. This guidance was most recently reviewed in November 2020, and no changes were made.
- 2.3. The income into the service each year is typically £2,257,400. This includes residential income (£2,105,600), outreach income (£137,800) and tenancy income (£14,000). There is no subsidy from the council's core budget. Staffing costs amount to £1,500,800 and in 2019-20 the outturn was a deficit of £78,813.
- 2.4. However, the forecasted outturn for 2020-21 as of Q3 shows a deficit of £984,182 if no immediate action is taken given the cessation of all income streams.
- 2.5. Management actions have been taken swiftly to ameliorate the financial position. The majority of OLS staff have been 'furloughed' under the Coronavirus Job Retention Scheme and five staff are seconded to the Covid locality response teams until March 2021; relevant income for these staff have been accounted for in the forecast in 2.4. The current furlough scheme is due to end in April 2021.
- 2.6. Each year the service employs a group of trainees; eight staff were on fixed term contracts but these expired on 31 December 2020. One tutor is currently also employed on a fixed term contract and this will expire on 28 February 2021.

- 2.7. There are two sites used by the service. The Bewerley Park estate, comprising of a series of wooden buildings constructed immediately post-war, with an expected life span of 10-20 years, and East Barnby, a site currently subject to a lease with a break clause in 2023. The Bewerley Park site requires significant investment to maintain and improve the facilities; there is a capital maintenance backlog and the design and layout of the current buildings do not meet the demands and function required by a modern outdoor education centre. A strategic review of the service was planned in early 2020 but was put on hold due to the pandemic.

3. IMPLICATIONS OF COVID-19

- 3.1. From January to December 2019, 133 North Yorkshire schools and a number of schools outside of the county enjoyed residential visits to one of the Outdoor Learning Service centres. From a sample of 132 North Yorkshire schools surveyed in September and early October 2020, 97 schools indicated that they were still planning outdoor learning residential visits in the spring and summer term 2021 however, current guidance continues to prevent these from taking place.
- 3.2. Furthermore, it is important to note that when a school residential visit is arranged, a long lead in time is required for schools to seek commitment from parents to sign-up to, and financially contribute to the visit before the visit takes place. Due to the current closure of the service, it is expected that there will be a further time lag between an announcement of a change in government guidance and schools being able to confirm and undertake visits following a period of planning and consultation with parents and staff. The effect of the current public health and economic situation and their impact on schools and parents' willingness to commit to residential learning experiences is not yet understood.
- 3.3. The prospect of sufficient confirmed bookings of residential visits with numbers to produce a viable income for the service to balance its budget is unlikely to improve in the next financial year. When residential visits are permitted it is likely that risk mitigation measures will lead to much smaller sized cohorts accessing the residential centres at any time and this will significantly affect levels of income.
- 3.4. The current additional national restrictions mean that it is becoming increasingly unlikely that residential visits will take place in the spring term and there is continued uncertainty about the summer term of 2021 and beyond this into the autumn-winter season 2021-22.

4. POLICY IMPLICATIONS

- 4.1. The Outdoor Learning Service contributes to Young and Yorkshire 2 across at least seven of the nine priorities.
- Protect those at risk of harm
 - Encourage fun, happiness and enjoyment of life
 - Promote health and wellbeing through positive choices from conception to adulthood
 - Improve social, emotional and mental health and resilience
 - Reduce health inequalities
 - Equip young people for life and work in a strong North Yorkshire economy
 - Raise achievement and progress for all

5. **SHORT TERM PROPOSAL**

- 5.1. The proposal offering the most cost effective solution in the short term would see both sites being mothballed before the end of the financial year. This would necessitate a whole service staffing review.
- 5.2. The associated savings achieved through this proposal are detailed in the Forecast 2020-21 table below:

| Proposal | 2020/21 |
|---|-------------------|
| Property costs 'Mothballing' | £36,000 |
| Forest/ Beach School Training- refund est | £12,774 |
| Total Change from Forecast (Q3)/ Budget | £48,774 |
| Current Forecast (Q3 excluding mothballing costs)/ Budget position | £984,182 |
| Total Forecast Outturn | £1,032,956 |

- 5.3. The key risks associated with this decision are a loss of expertise in the service, the potential loss of customer base (should government announce plans for residential centres to re-open) and the impact of long-term periods of non-occupancy.

6. **LONG TERM SERVICE PROPOSAL**

- 6.1. Alongside the short-term proposal above, a long-term review of the service will be undertaken. In part, this is due to the need for significant re-investment in the building facilities for the service and at the highest level, the review would determine the requirements of outdoor learning provision for children and young people of North Yorkshire and match this to an operating model designed to deliver these educational requirements in the long term.
- 6.2. The staffing and estate requirements to re-launch and deliver a sustainable model would be evaluated upon the outcome of the review, and specific recommendations for the longer term future of the service would be brought back to the Executive for decision at that time.
- 6.3. It is intended that the review commence at the earliest opportunity so that associated service development plans can be established with minimal delay and disruption to existing customers. The ability to do this in a transparent and open arena would enable the council to seek the widest range of business delivery options, including partnerships with voluntary and community sector organisations.
- 6.4. The aims of the review have been identified as:
- Identify stakeholders and build a review team with a nominated business lead
 - Review the core objectives and benefits of the service
 - Review alternative operating models, taking into account a broad view of the outdoor activity market and competitors
 - Review the property and infrastructure position and provide costed options for improvement and/or replacement to support one or more proposals for re-launch of the service

- Provide a view of the commercial business case for the service, balanced against a realistic cost base including staffing, equipment, property and infrastructure investment so that the operating model is self-sustaining.
- Produce a strategic proposal for the future of the service, supported by an outline business case

7. FINANCIAL IMPLICATIONS (SHORT TERM PROPOSAL)

- 7.1. Minimum losses to staffing and redundancy costs would be achieved if staff are successfully redeployed in like for like roles.
- 7.2. Redundancy costs are applicable for both STPC and NJC staff. The earliest redundancy date for individuals on school teacher pay and conditions is 31st August 2021 and notice would need to be served in May 2021. The job retention scheme (if available after April 2021) ceases to apply if employees are issued with notice. Maximum redundancy costs are expected to be £202,950, as detailed in the Spending Plan 2021-22 table below:

| Proposed spending plan | 2021/22 |
|--|--------------------|
| Minimum staff costs | £ 611,167 |
| Staff savings- Furlough income estimate | -£ 52,604 |
| Potential redundancy costs | £ 202,950 |
| Potential pension strain costs | £ 47,553 |
| Property Costs- Superintendent | £ 40,000 |
| Property Costs- Rates | £ 36,000 |
| Property Costs- Maintenance | £ 141,700 |
| Property Costs- East Barnby Property Insurance | £ 3,900 |
| East Barnby Lease | £ 10,000 |
| Tenancy income | -£ 5,833 |
| Total Budget | £ 1,034,832 |

- 7.3. Pension costs are approximately £47,553.
- 7.4. Mothballing costs of £36,000 include winterising both sites and draining down services, plus the installation and monitoring of CCTV systems.
- 7.5. Superintendent activity will be required to maintain a service and security schedule at both sites in order to cover insurance expectations. Property Services could fulfil this requirement at a cost of £20,000 per site per year from 2021-22.
- 7.6. Specific issues regarding the surrendering of the lease at East Barnby will require further investigation.
- 7.7. Other costs include estimates around disposal and subsequent repurchase of residential equipment, for example, mattresses that would be required after a substantial period of no use. However, the current reactive and preventative maintenance costs of up to £64,100 remain in the budget for 2021-22 and some savings will be made whilst the centres are mothballed.

8. LEGAL IMPLICATIONS

- 8.1. Potential legal implications regarding the lease arrangement for East Barnby and a potential long-term period of no occupancy.
- 8.2. Contractual arrangements around repair and maintenance of East Barnby, and requirements to continue maintenance to ensure compliance with the lease.
- 8.3. A small number of individuals have tenancy agreements at Bewerley Park linked to their employment. Where necessary, tenancy agreements would need to be terminated in line with legal requirements and notice periods.
- 8.4. Laying off staff is not considered an appropriate option.

9. CONSULTATION UNDERTAKEN AND RESPONSES

- 9.1. A survey of 132 schools across North Yorkshire took place in September and October as to their intentions over the rest of the school year 20-21 (subject to government restrictions being lifted) with regard to educational visits, outdoor learning and residential visits. All schools planning an outdoor learning residential experience said they would consider an alternative delivery model if the residential element were not possible.

10. IMPACT ON OTHER SERVICES/ORGANISATIONS

- 10.1. There will be an impact on schools who wish to organise residential outdoor learning visits if government guidance is relaxed in the near future, and one or both of the centres is closed. During the first lockdown in summer 2020, the centres worked with Children and Families and hosted individuals in need of short-term placements. This might be possible again, if at least one of the centres remains open, but would require pre-planning to organise staff and facilities.
- 10.2. There could be an impact on out of county schools and non-school groups, with potential long-term loss of these customers. However good communication and involvement in the long-term strategic review could mitigate against this risk.
- 10.3. The short-term mothballing of the centres will require liaison with the Communications Unit to ensure appropriate public messaging is maintained.
- 10.4. Mothballing of the sites will require oversight from within Property Services to ensure the sites are maintained and kept secure and may require additional start-up costs after a period of mothballing. This would be factored into the long-term review.
- 10.5. The greatest impact is on children and young people having restricted access to the outdoors and outdoor learning opportunities. Purposeful experiences in the outdoors can be a catalyst for powerful and memorable learning. Education visits advisers in the school improvement service will continue to work with schools on maximising the potential of learning outside the classroom - in the local area.

11 RISK MANAGEMENT IMPLICATIONS

- 11.1 Suspending the residential offer may initially result in lower uptake in future years when the residential service is re-instated, as schools may break with their annual tradition, transfer to other providers (where these are able to open), move to a day outreach model or cease to return for future visits.

- 11.2 There is a risk of loss of existing personnel with experience and skills in outdoor learning. This would be detrimental to the service should the strategic review determine that the existing residential model is an appropriate future option, and this may affect the ability of the centres to re-open at pace.
- 11.3 In addition to this, there is a risk of additional costs to bring elements of the service (buildings, furnishings) up to an appropriate standard following the period of mothballing.
- 11.4 The Outdoor Learning Service has a long history delivering to generations of children in North Yorkshire. There is a requirement for careful communications to all stakeholders.

12 HUMAN RESOURCES IMPLICATIONS

- 12.1 Service staffing is 42 individuals in 31.7 FTE positions.
- 12.2 One tutor (28/02/2021) and eight trainee tutors (31/12/2020) were on fixed term positions that will not be replaced at the current time.
- 12.3 Staffing structure (directly employed staff from 1/1/21)

| | Staff in post | FTE | Annual budget (funded by generated income) |
|-------------------------------|----------------------|------------|---|
| Total directly employed staff | 42 | 31.7 | £1,200,402 |

- 12.4 It may be possible to redeploy some-facilities staff to Property Services, and for Property Services to provide on-going superintendent services at both centres to ensure contractor access and limit degradation and damage. It may be possible to redeploy domestic staff, including cooks and cleaners to Facilities Management. However, any redeployment of staff is dependent on there being vacancies and opportunities in the outgoing service.
- 12.5 Redeployment of business support staff (not shown in the table above) normally allocated to working in the service can take place into the Business Support Service.
- 12.6 Once decisions are taken around the future of the service, appropriate consultation with staff and unions will take place in line with NYCC policies and procedures and timeframes adhered to.

13 EQUALITIES IMPLICATIONS

- 13.1 A full equalities impact assessment will need to take place as part of a staffing consultation.

14 ENVIRONMENTAL IMPACTS/BENEFITS

- 14.1 The impact of any renovation to the sites as a result of the long term review, in particular Beverley Park, which is in an Area of Outstanding Natural Beauty, needs to be determined.
- 14.2 There is an added requirement to undertake a climate change impact assessment <http://nyccintranet/content/climate-change> prior to any proposal being presented to full council.

15 COMMUNITY SAFETY IMPLICATIONS

- 15.1 Requirements around maintaining the site and additionally preventing misuse or vandalism will need to be managed through the CCTV monitoring and superintendent cover.

16 REASONS FOR RECOMMENDATIONS

- 16.1 Postponement of a strategic review of the service occurred in early 2020 due to the coronavirus pandemic.
- 16.2 The service is temporarily restricted in its activities due to DfE coronavirus guidance and this is unlikely to change in the timescales required to avoid significant financial shortfalls in the service during the current or next financial year.
- 16.3 As service costs are normally fully recovered through income generation, urgent action is required to address the forecast deficit for 2020-21 and to ensure the minimum impact into 2021-22. Reduction and potential redeployment of staff into vacant positions in other services could reduce the burden of staffing costs on the council during and after the furlough scheme ends, whilst income generation is continues to be negligible.
- 16.4 Increased awareness of the benefits of the outdoors will be capitalised upon by using other NYCC services to assist in marketing and promoting outdoor learning and leisure outreach activities.

17 RECOMMENDATIONS

- 17.1 To commence the mothballing of both sites as soon as possible.
- 17.2 To commence a consultation with regard to reducing the staff levels, including through redeployment wherever possible and as soon as possible. The aim of this would be to retain sufficient expertise in the area but reduce the financial burden on the service.
- 17.3 To bring recommendations resulting from the strategic review for decisions later in the year.

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