

Darley Barn – future delivery of Outdoor Education in the City of Derby

SUMMARY

- 1.1 This report provides an update on the future operation of Darley Barn Outdoor Education Centre and the delivery of The Duke of Edinburgh's Award in Derby City.
- 1.2 Outdoor Education and The Duke of Edinburgh's Award are not statutory services. However, it is a Labour Group manifesto commitment to ensure delivery of such services within Derby City.
- 1.3 The current Derby City Council service is run by the Children and Young People's Department from Darley Barn, which is a purpose built National Lottery funded facility on the edge of Darley Park. The service owns equipment, for example to run expeditions and canoeing, and this requires on-going regular essential maintenance to ensure safe operation. The delivery of The Duke of Edinburgh's Award and adventurous activities of this nature are regulated by strict licencing. There are also substantial Health and Safety requirements.
- 1.4 The service has seen year on year budget reductions and it now only has one full-time worker and volunteers. There is no budget for essential equipment maintenance. The service has a charging facility for delivery of activities and rental of the Barn. However, income generation is not sufficient to cover the cost of operation and there is a forecast budget pressure for 2013/14 of £17k, plus licencing and maintenance costs.
- 1.5 In April 2013, options were explored between officers and the Lead Member for Children and Young People for future delivery of the service. These options included closure of the service, investment in the service, full tender, continue as present or development of a partnership approach with another local agency to secure enhanced cost neutral delivery.
- 1.6 On 12 February 2014, Executive Cabinet agreed:
 - To progress the development of a partnership arrangement with Derbyshire County Council Outdoor Education Service for the delivery of Outdoor Education and The Duke of Edinburgh's Award in Derby City.
 - As part of the development, that the service achieves a cost neutral position by April 2016, with a proportionate subsidy reduction in 2014/15 and 2015/16.
 - To note the requirement for continued short-term subsidy until the cost neutral

position can be achieved.

RECOMMENDATION

- 2.1 To note the agreements reached at executive cabinet above.
- 2.2 To consider any points which should be included within the partnership agreement with Derbyshire County Council.
- 2.3 To support the proposed action plan outlined in section 4.7.

REASONS FOR RECOMMENDATION

- 3.1 The recommendations provide the best opportunity for the Local Authority to remove its financial burden and risk of capital claw back whilst minimising disruption to service users and meeting the Labour Party manifesto commitments.
- 3.2 The proposal sees Derby City Council retain Darley Barn as an asset.

SUPPORTING INFORMATION

Background

- 4.1 Derby City Outdoor Education Service operates from Darley Barn, which is a purpose built National Lottery funded facility on the edge of Darley Park. The service has seen year on year budget reductions and it now only has one full-time worker and volunteers. There is no budget for essential equipment maintenance. The service has a charging facility for delivery of activities and rental of the Barn. However, income generation is not sufficient to cover the cost of operation and there is a forecast budget pressure for 2013/14 of £17k, plus licencing and maintenance costs.
- 4.2 The reductions to service and the removal of a range of infrastructure supports now critically limits and impedes the ability of the service to generate sufficient income to become financially self-sustaining. There is no marketing budget and no business management capacity. This makes it extremely difficult to promote the facility to schools, groups and other potential users.

- 4.3 Darley Barn currently holds an Adventurous Activities Licencing Service (AALS) Licence. Due to the lack of infrastructure to the service, concern has been expressed as to the ability of Darley Barn to comply with the conditions of its licence while operating in its present state. All outdoor activities need to be compliant with National Governing Body (NGB) regulations. The Duke of Edinburgh Award is currently delivered in schools or as a small special needs unit. To continue delivery in the medium and longer-term, this needs to be supported with more infrastructure and training opportunities, and opportunities to mainstream young people via an 'open award' centre. The training required to ensure provision of suitably qualified Outdoor Activity Leaders is intensive and while plans for continued professional development need to be in place, in order to maintain compliance with AALS and NGBs, Derby City Council currently has no way of providing this nor the allocated budget to commission it. Outdoor Education is an environment where risk is associated with every activity and the Health and Safety requirements are specialist and require active management and monitoring. Whilst currently managed, these present a challenge given the critical staffing levels.
- 4.4 A range of options were considered in April 2013 with the Lead Member for Children and Young People. These are outlined below:
- a) Do nothing and continue with operations as at present – this option was discounted. As a non-statutory service, long-term subsidy of the service was not seen as viable. The risks associated with on-going delivery long-term were recognised. In particular, the ability to comply with NGB licencing requirements and the fragility of a service dependent on one paid member of staff.
 - b) Invest in the service – this option was discounted. It was recognised that the investment required would be substantial, given the lack of infrastructure within the Council as a result of other service reductions. Investment to ensure a viable concern would need to cover increased staffing, marketing, equipment maintenance and replacement, skilled and specialist business and service management, training and workforce development, administration and licencing.
 - c) Closure of the service – this option was not favoured. Continued delivery of Outdoor Education and The Duke of Edinburgh Award is a Labour Group manifesto commitment. Additionally, Darley Barn is National Lottery funded and the conditions of the capital investment are very specific presenting significant risk of capital claw back. The Council would be left with an unusable asset.
 - d) Proceed to full tender of the service – this option was not favoured. The concerns in relation to this option included the length of time such a process would take, the resources needed to prepare such a tender and respond to and evaluate bids and the risk that the facility would be run by a private venture entirely focussed on profit, thus becoming less available to the local community.
 - e) Explore options for partnership delivery with another public sector organisation / Local Authority to ensure enhanced cost neutral delivery, unsolicited expressions of interest had already been received from Leesbrook Academy School and Derbyshire County Council – this was the favoured option.

- 4.5 Initial discussions were held with Leesbrook Academy School and Derbyshire County Council, in line with the agreement reached as outlined above in 4.4(e) and a deadline given for outline proposals of 1 December 2013 (extended to 8 December 2013 for Leesbrook Academy School, following correspondence with the Lead Member).
- 4.6 Leesbrook Academy School reached the decision not to proceed with its interest in a partnership arrangement. However, a proposal was received from Derbyshire County Council Outdoor Education Service – attached as Appendix 2 – along with a range of supporting documents.
- 4.7 In summary, Derbyshire County Council are proposing to:

“Transform Outdoor Education delivery within Derby city, including operations at Darley Barn and The Duke of Edinburgh’s Award to ensure they are cost-effective, fit for purpose, are robust in terms of both safety and quality management and that they meet the needs of schools and other organisations and groups within local Derby communities.

Our medium-term objective would be to transform the nature of provision to support its own operation. In the longer-term, we aim to create a vibrant and innovative source of Outdoor Education, organised on commercial principles and able to produce a financial as well as a social return on any investment.”

They outline the following initial Action Plan:

- Establish a partnership agreement to operate and provide activities within the city.
- To quickly be able to offer schools an initial menu of Outdoor Education and Learning Outside the Classroom opportunities.
- In partnership with Derby City Council, undertake a consultation process with schools, clubs and community organisations, to establish what they perceive their needs to be and how any provision could provide clear learning and participation pathways for young people and families.
- Develop a longer-term plan for the delivery of The Duke of Edinburgh’s Award and high quality outdoor learning activities, in partnership with the City Council and schools, that meet the needs of young people and families.
- Create a pricing structure that operates to a breakeven formula that is affordable to families and groups and that reflects value and market competitiveness.
- Develop a Marketing Plan to promote and publicise opportunities and to engage with schools and other Council departments.

- 4.8 The Derbyshire County Council proposal outlines, following financial and business analysis, that they predict reaching a financially self-sustaining position within two years. They will invest developmental capacity into the service to enable website development, marketing and consultation and will secure the licence requirements. They are proposing that the current budget level is maintained to cover the deficit in core income in 2014/15, with a tapering reduction over 24 months as they build up the capacity and income generation opportunities. This proposal does not achieve the aim of making Darley Barn financially self-sustaining from April 2014. However, with the exception of full closure, there is no viable option to do so – even full closure would incur redundancy costs and risk of capital claw back.

OTHER OPTIONS CONSIDERED

- 5.1 All the other options considered are outlined in 4.4 above, with the exception of full service closure, none of these can deliver financially self-sustaining position for 2014/15. The risks associated with all the other options are clearly outlined.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Janice Hadfield Jane Parfremment – jane.parfremment@derby.gov.uk – 01332 642668
For more information contact: Background papers: List of appendices:	Fiona Colton – fiona.colton@derby.gov.uk – 01332 641164 None Appendix 1 – Implications Appendix 2 – Derbyshire County Council Proposal document

IMPLICATIONS

Financial and Value for Money

- 1.1 Darley Barn has a current budget allocation of £42k. It generates income in the region of £25k, leaving an estimated budget deficit position of £17k.
- 1.2 Regardless of options, some level of subsidy will be required during 2014/15, due to the length of time it will take to implement closure and redundancy costs.
- 1.3 The Derbyshire proposal aims to reach a financially self-sustaining position by April 2016, with a tapering subsidy reduction in 2014/15 and 2015/16. The detail of this will need to be written into the partnership agreement.

Legal

- 2.1 Legal advice will be enlisted to draw up the agreement. partnership agreement with Derbyshire County Council

Personnel

- 3.1 Derbyshire County Council have indicated that they are happy to retain the current member of staff employed at Darley Barn. Human Resources will be consulted regarding TUPE arrangements should the proposal proceed.

Equalities Impact

- 4.1 None.

Health and Safety

- 5.1 The current operation of Darley Barn meets Health and Safety requirements. However, there are risks should the decision be reached to continue operations in their current form.

Environmental Sustainability

- 6.1 None.

Asset Management

- 7.1 Darley Barn is National Lottery funded and there is a risk of capital claw back if it is not used for delivery of Outdoor Education to Derby City communities. The asset is

owned by Derby City Council.

Risk Management

- 8.1 The recommended option reduces the risk of licence removal, capital agreement breach and future Health and Safety risks.

Corporate objectives and priorities for change

- 9.1 The recommendations support the following corporate objectives and priorities for change:
- Good health and well-being.
 - A strong community.
 - An active cultural life.

Derby City Outdoor Education Provision
Assessment and Proposal
December 2013

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1. Introduction

This document summarises a proposal for the County Council Outdoor Education Service to undertake work within Derby city on behalf of Derby City Council; to create a partnership that effectively expands the provision available to city schools and council services to offer outdoor learning and development to young people and adults. In undertaking an initial (SWOT) assessment in order to produce a realistic and effective proposal we have sought to make an objective evaluation of the current position. It is not intended to be overtly critical and we acknowledge how open and objective staff members have been at every level when discussing the current situation and the limitations of the current operation.

2. Aims.

The aim is to work in partnership with Derby City Council to transform Outdoor Education (OE) delivery within Derby city, including operations at Darley Barn and the Duke of Edinburgh's Award to ensure they are cost-effective, fit for purpose, are robust in terms of both safety and quality management that they and meet the needs of schools and other organisations and groups within local Derby communities.

Our medium term objective would be to transform the nature of provision to support its own operation. In the longer term we aim to create a vibrant and innovative source of outdoor education, organised on commercial principles and able to produce a financial as well as a social return on any investment.

3. Initial Action Plan

- Establish a partnership agreement to operate and provide activities within the city
- To quickly be able to offer schools an initial menu of outdoor education and Learning outside the Classroom opportunities
- In partnership with Derby City Council, undertake a consultation process with schools, clubs and community organisations to establish what they perceive their needs to be, and how any provision could provide clear learning and participation pathways for young people and families
- Develop a longer term plan for the delivery of the Duke of Edinburgh's Award and high quality outdoor learning activities in partnership with the city council and schools that meets the needs of young people and families
- Create a pricing structure that operates to a breakeven formula that is affordable to families and groups and that reflects value and market competitiveness
- Develop a Marketing Plan to promote and publicise opportunities and to engage with schools and other council departments

4. SWOT Assessment

A number of factors have been considered in the analysis. In order to provide a clear summary, we have used a format that concentrates on looking at the strengths and weaknesses of the current situation, and have considered what we believe to be the current threats and, more importantly, the potential opportunities to develop the service (a SWOT analysis).

Strengths:

Derby City Council has a strong track record for delivering sport and outdoor recreation opportunities, which is reflected in council policy. Both the management and leadership of the council support outdoor activities and the contribution they provide to lifelong health and wellbeing. A number of initiatives in sport and leisure are taking place within the city including projects in Markeaton Park, which could be linked to the provision of outdoor and adventurous activities for schools and local children. Complimenting this, the Derbyshire County Council Outdoor Education Service has a strong management team and a proven history in developing services for young people and families. We believe this is a strong basis on which the partnership could develop an effective level of innovative service delivery.

Darley Barn is a modern, well equipped facility able to facilitate a group of up to 30 people internally at any one time. The facility has disabled access throughout

and consists of showers, changing rooms, equipment storage, admin office, refectory and classroom. Sufficient car parking space is available. In terms of outdoor activities equipment, whilst no detailed examination has taken place it looks like there is a sufficient amount of equipment held to accommodate a similar number to deliver nights away under canvas, canoeing, kayaking, climbing and hill walking. All equipment appears in good condition and fit for purpose.

Weaknesses:

The current vision and future of provision for outdoor education within Derby is unclear. This appears to have had an impact on the morale of current employees and has led to a state of operational 'limbo'. There is no business plan in place for the future operation of Darley Barn, which is imperative if the objective above is to be achieved. This is assessed as being of importance and immediate action is required.

There is currently only one full time member of staff (*this staff member is qualified to deliver outdoor activities*). This situation critically limits and impedes the ability of the service or Darley Barn to generate revenues in order to become financially self-sustaining. Staffing needs to be a key target area for immediate action, both for activity provision and administration and support.

Coupled with this, there is no marketing plan to define market segments, services and calls to action for access to Darley Barn. This makes it extremely difficult to promote the facility to schools, groups and other potential users.

No systematic measurement of the quality of services being provided is apparent, although Darley Barn currently holds an Adventurous Activities Licencing Service (AALS) Licence. Concern has been expressed as to the ability of Darley Barn to comply with the conditions of its licence while operating in its present state. All outdoor activities need to be compliant with National Governing Body (NGB) regulations (if applicable).

Duke of Edinburgh's Award is currently been delivered in schools, or as a small special needs unit. It is believed that in the medium and longer term, this needs to be supported with more infrastructure and training opportunities, and opportunities to mainstream young people via an 'open award' centre. The provision of suitably qualified outdoor activity leaders is a training intensive environment. Plans for continued professional development need to be in place, in order to maintain compliance with AALS and NGBs.

Darley Barn also needs additional outdoor activity leaders in order to generate the revenue necessary to become financially self-sustaining. However, it is acknowledged that this presents its own set of financial challenges.

Systems to manage and monitor health and safety do appear to be active but clearly need updating. Outdoor education is an environment where risk is

associated with every activity and demands proactive management through an active monitoring system.

Opportunities:

The current facility (Darley Barn) is located within Darley Park which is an area of green parkland surrounded by urban development. The River Derwent is very close by and the Peak District National Park is within 30 minutes travel by road. Both the grounds around the centre, the park and the existing links with the canoe club offer opportunities to develop:

- Outdoor skills
- Outdoor education
- Outdoor recreation
- Environmental education
- Environmental projects

When examining the demographic make-up of the city, we found that Derby has a population of approximately 250,000 rising by around 7.8% since 2001. This population is clearly ethnically diverse. A wide range of schools and socially based organisations work with all the communities across the city. Therefore, there is freedom to create and deliver a range of opportunities and activities or projects catering for:

- Primary schools
- Secondary schools
- Uniformed youth organisations
- Colleges
- Universities
- Duke of Edinburgh's Award participants
- Public sector employers
- Private sector employers
- Ethnically diverse communities
- Disability groups
- Families
- Gender specific; male, female, mothers-daughters, mothers-sons etc.
- Looked after children
- Special Educational Needs
- Hard to reach groups
- Children
- Young people
- Adults
- Adults 60+

These would include programmes that help achieve:

- Healthier lifestyle development using the outdoors
- Engaging in creative projects outdoors
- Alternative education in the outdoors

- Leadership development outdoors
- Personal outdoor skills development
- Professional outdoor skills development
- Outdoor navigational skills development
- Contribution to the sustainability of the outdoors
- Knowledge of the biodiversity of the outdoors

The initial discussions and examination of Darley Barn indicated that opportunities exist to share resources with other local providers of outdoor education and recreation. These organisations offer the city and its groups the opportunity to fill gaps in provision or activities where Darley Barn or an outdoor education service is unable to meet demand due to either a lack of capacity and capability.

Potential shared resource partners include:

- Local authority providers of outdoor education
- Not for profit providers of outdoor education and recreation
- Commercial providers of outdoor education and recreation
- Sports and specialist outdoor activity clubs
- Outdoor activity NGBs
- Community, voluntary and independent youth organisations
- Universities and colleges
- Academies providing primary and secondary education
- Independent schools

Threats:

The UK economy is emerging from an extended period of financial recession. Discretionary consumer spending remains limited. The central government budget balance remains in deficit with strict budgetary cuts and financial settlements being imposed upon local government.

The current situation indicates that any activity provision development in the outdoors must be sustainable; it must become financially independent of public funding and offer a strong value proposition to its customers before any threat of service reduction or closure can be eliminated. At the same time, commercial outdoor activity providers have to improve their offerings and look for new markets in order to remain in business. This creates a market place where there are an increasing number of independent operators, partly due to limited opportunity for employment within this sector.

Analysis Conclusion:

A series of tasks need to be completed in order to remedy the weaknesses identified. Key within these tasks is the development of both a cost effective staffing structure and the need to undertake a period of consultation with clubs, schools, groups and organisations to get a clear understanding and assessment of what they want and need.

From this will come the opportunity to develop a business strategy and a marketing plan to exploit opportunities identified, along with the development of an overall business model where threats and the risks identified can be managed appropriately:

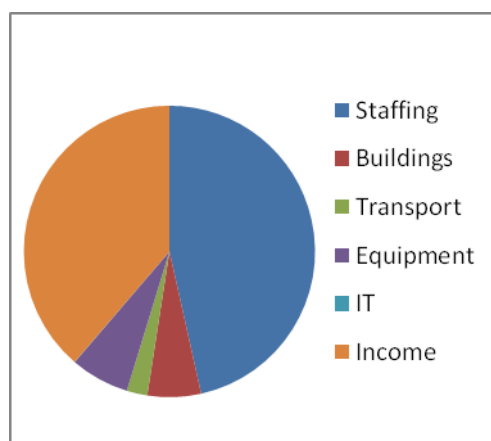
5. Financial Analysis

2010-11 Actual Expenditure £

Staffing	130,620
Buildings	16,714
Transport	6,435
Equipment	18,372
IT	83
Total	172,223

% of total
expenditure

Staffing	75.84
Buildings	9.70
Transport	3.74
Equipment	10.67
IT	0.05
Total	100.00



Income £-108,724

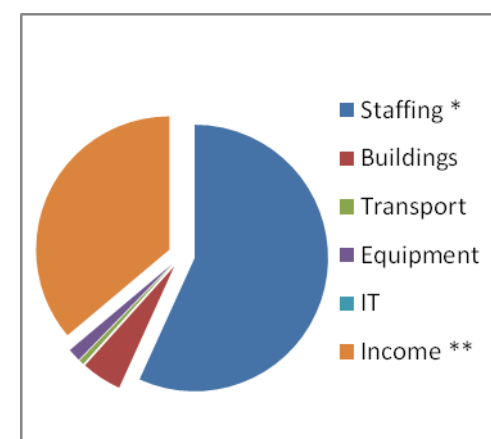
63.13%

2011-12 Actual Expenditure £

Staffing *	143,458
Buildings	12,341
Transport	1,558
Equipment	3,995
IT	0
Total	161,352

% of total
expenditure

Staffing *	88.91
Buildings	7.65
Transport	0.97
Equipment	2.48
IT	0.00
Total	100.00



Income ** £-91,303

56.59%

* Includes redundancy costs of £32,541

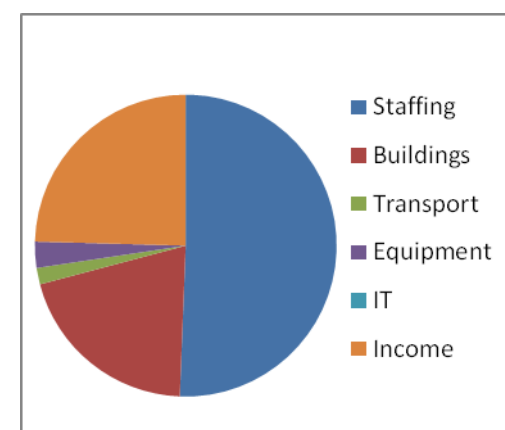
** Includes £15,000 from Sport England - ? One-off grant. If so income as % of expenditure is only 47.29%

2012-13 Actual Expenditure £

Staffing	29,058
Buildings	11,617
Transport	1,011
Equipment	1,607
IT	0
Total	43,293

% of total
expenditure

Staffing	67.12
Buildings	26.83
Transport	2.34
Equipment	3.71
IT	0.00
Total	100.00



Income

£-14,102

32.57%

The financial data above indicates the historical financial pricing structure that was similar to that of Derbyshire County Council, in that approximately 30% of the cost of activities was born by Derby City Council.

The ability for the outdoor education service to generate income in order to meet its costs has clearly been reduced in the last 24 months with the reduction of staff. Whilst overall costs have been reduced, the service is only able to generate 32% of income in its current position, compared to 63% in 2010.

It will be necessary to construct an income and charging policy that seeks to cover operational costs, whilst at the same time being competitive in the current market and affordable for schools and families. This will be best achieved by staging prices to gradually bring them in line with the break-even target. It is expected that this could be achieved within the first two years.

In the meantime it would entail budget expenditure similar to the 2012/13 figure approximately £29,000 however, this would be expected to reduce by at least 50% in year two with a break-even target for the second half of year two or by year three.

6. Proposal Summary

As can be seen, this proposal is based on a thorough analysis of the current situation. I do believe that a partnership arrangement where service delivery is provided by the Outdoor education Service will create increased opportunities for young people and families within the City in a cost effective manner.

Whilst an initial menu of available educational and recreational courses and facilities is provided, it will be important to consult with and gain an understanding of the needs of schools and community organisations. To this end a consultation process is a key and early objective outlined within these proposals.

During this period we would also review the activities and infrastructure that is in place and consult both the Adventure Licensing Service and The Headquarters of the Duke of Edinburgh's award to ensure plans take into account their requirements for licensing and systems needed for a high quality delivery model.

I have attached appendices to this proposal that displays a proposed initial menu of opportunities and courses along with a pricing structure. Though both the menu and the pricing structure will be reviewed as part of the consultation process, and then agreed with the City Council going forward. I also enclose a proposal document of how we would provide information for schools and groups on an independent and stand-alone website.

I would be more than happy to discuss this further with you, should you wish, or indeed to answer or clarify any points you may have.

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