



Derby City Council

**Children and Young People
Cabinet Member Meeting
27 March 2014**

ITEM 5

Report of the Cabinet Member for Children and
Young People

Darley Barn – future delivery of Outdoor Education in Derby City

SUMMARY

- 1.1 This report provides an update on the options for 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. This paper provides an update on how those options were investigated and a recommendation for future operations

RECOMMENDATION

- 2.1 To agree 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.

- 2.2 To agree, 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.
- 2.3 To note the requirement for continued short-term subsidy until the cost neutral position can be achieved.

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's 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's 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 Should agreement be reached to develop a partnership agreement with Derbyshire County Council, full legal advice will be enlisted to draw up the agreement.

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.
- 3.2 Should the decision be reached to close the service, HR advice will be sought in relation to the need to issue a s188 notice.

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.