

CABINET – 3 APRIL 2012**REPORT OF THE DIRECTOR OF CHILDREN AND YOUNG
PEOPLE'S SERVICE****FUTURE PROPERTY STRATEGY FOR THE OUTDOOR AND
RESIDENTIAL LEARNING SERVICE****PART A****Purpose of Report**

1. To provide the Cabinet with proposals for the future property strategy for the Outdoor and Residential Learning Service (ORLS).
2. This report makes recommendations to the Cabinet about three separate properties - Beaumanor Hall and Park, Aberglaslyn Hall, and Quorn Hall. These have been developed from comments and proposals submitted during the consultation process, along with the Asset Challenge findings, and an analysis of financial information and current trends.

Recommendations

3. It is recommended that:
 - a) Beaumanor Hall and Park are retained by the County Council and further developed in order to provide a range of activities for children and adults in Leicestershire;
 - b) Quorn Hall is sold, subject to -
 - (i) being prepared for closure within a timescale that allows for current bookings to be honoured, and
 - (ii) as many activities as possible being transferred from Quorn Hall to Beaumanor;
 - c) The County Council ceases to manage Aberglaslyn Hall directly with effect from 1st April 2013;
 - d) The groups which have expressed an interest in running Aberglaslyn as a Trust or social enterprise be requested to submit a set of proposals and a business case for

- transferring the assets to a Trust, and
 - transferring the staff and services to a community interest company
- to the Council by 1st September 2012 with a transfer date of 1st April 2013;
- e) Should the timescale at (d) above not be honoured and/or the Council, upon examination of the business case, decides that the proposals submitted do not provide a workable solution, Aberglaslyn will close on 31st August 2013 and be sold.

Reason for Recommendations

4. An examination of the centres as separate facilities rather than as an overall service as recommended by the Children and Young People's Service (CYPS) Scrutiny and Overview Committee on 17 November 2011 revealed that;
- With a relatively small financial deficit, the transfer of activities from Quorn Hall to Beaumanor, and the further development and diversification of activities at Beaumanor would put it on a firm financial footing for the foreseeable future. This would also allow for activities for young and vulnerable children to be continued through a local and trusted provider, and offer a range of environmental and heritage activities to the people of Leicestershire.
 - Quorn Hall has had a large financial deficit for a number of years and efforts to diversify and grow the business have been unsuccessful. It is now under-used. Most activities for local young and vulnerable children could be transferred and maintained.
 - Whilst Aberglaslyn Hall has a financial deficit, it is also fully booked during school term-time. The possibility of running it as a social enterprise would give charitable and trading opportunities which could put it on a secure financial footing and maintain it as a resource for Leicestershire children and young people.

Timetable for Decisions (including Scrutiny)

5. The Children and Young People's Scrutiny and Overview Committee considered the matter on 23 January 2012, and agreed that the outcomes of the consultation on ORLS would be submitted to a future meeting. The Children and Young People's Service will consider the matter at its meeting on 26 March 2012 and its comments will be reported to the Cabinet.

Policy Framework and Previous Decisions

6. Local Authorities do not have a statutory duty to provide outdoor and residential learning opportunities (ORLS).

7. The National Manifesto for Learning Outside the Classroom was published in 2007 by the Department for Children, Schools and Families (DSCF). The manifesto is a way of encouraging learning outside the classroom and is a shared statement of intent for those organisations that are willing to sign up to its aims and bringing about quality learning experiences with children.
8. In April 2007, following a review of the provision of outdoor and residential learning at Aberglaslyn Hall and subsequent lengthy negotiations with the Youth Hostel Association, the Cabinet agreed that the provision should remain in-house.
9. In 2010 and 2011, Aberglaslyn Hall, Beaumanor Hall and Park, and Quorn Hall were considered as part of the Asset Challenge process carried out by the Council's Corporate Property Steering Group, along with a large number of other properties.
10. On 13 September 2011, following the Asset Challenge process, the Cabinet decided to consult on the future of the County Council's outdoor and residential learning centres.
11. On 17 November 2011, as part of the consultation process, the Children and Young People's Scrutiny Committee considered the matter and agreed comments to be forwarded to the Cabinet as follows:

- i) Responses collected so far indicated that almost all schools that had used the Council's facilities for outdoor and residential learning were positive about the experience; however over half of the respondents had reported that they were already using other centres
- ii) The possibility of increasing the types and ranges of activities at all three facilities was being investigated. In particular, Beaumanor Hall, which members viewed as important to the County, had been run as a County, rather than a CYPS, facility in recent years
- iii) Concerns were expressed that as Beaumanor and Quorn Halls were geographically close, a potential pitfall of selling one to the private sector would be the degree to which it competed with the remaining Council facility
- iv) There has been a decline in the use of Beaumanor and Quorn Halls for conferences and training in the last 18 months

In particular, the Scrutiny Committee recommends that decisions be made on Aberglaslyn, Beaumanor and Quorn Hall as individual facilities and not in terms of a collective service".

12. On 17th January 2012 the Cabinet considered a report on the outcomes of the consultation and resolved that options for the future be considered further, based upon recommendations that arose from the consultation process.

Resource Implications

13. Since 1993 the ORLS has operated on a subsidised traded basis, i.e. the County Council gave a subsidy to support the service in order to deliver its activity. Without this funding the service would have run at a loss. The subsidy was withdrawn gradually over a number of years and finally terminated on 31 March 2010.
14. Over the last four years, trading accounts demonstrate that the ORLS was not raising sufficient income to cover current costs when property costs (formerly covered by the County Council's Property Department) are also taken into consideration. The combined net loss for ORLS in 2010/11 amounted to £410,000, with the loss spread unevenly over the three centres. Current financial projections show the service continuing to operate at a loss anticipated for 2011/12 as £360,000.
15. The sale or transfer of Assets would be progressed in accordance with the County Council's agreed disposal strategy.
16. The Director of Corporate Resources has been consulted on the financial, property, and Human Resources implications of this report.

Legal Implications

17. The County Solicitor has been consulted on the legal implications of this report.

Circulation under the Local Issues Alert Procedure

18. Mr A M Kershaw CC and Mr P C Osborne CC. A copy of this report is being circulated to all members under the Members Information Service.

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PART B

Background

19. The Outdoor and Residential Learning service (ORLS) is currently funded on a charged service basis, providing learning outside the classroom by offering outdoor, adventurous and residential learning experiences to the children of Leicestershire, its adjoining counties, and international link areas. ORLS is currently delivered from three properties; Aberglaslyn Hall in North Wales; Quorn Hall and Beaumanor Park and Hall in the Charnwood area of Leicestershire. The two local centres have important historical significance to Leicestershire and are being preserved and used as public buildings through the prevailing occupation of ORLS. The provision for children and young people is subsidised by income earned by also using these ORLS properties to offer facilities for training, conferences, civic, and social events on a commercial basis. However, financial accounts demonstrate that ORLS, as an overall service, is not raising sufficient income to cover current costs.
20. The consideration of each centre as a separate facility, drawing on the Asset Challenge report, financial information, recent trends in usage, and the responses to the consultation carried out in October to December 2011 reveal a different picture for each property.

Aberglaslyn Hall

21. Aberglaslyn Hall, built in 1875, was adapted in the 1970s as an outdoor education centre. Most of the fixtures and fittings now have a somewhat dated appearance, apart from the kitchen which was refurbished recently. There is very limited parking on site and wheelchair access is restricted to the ground floor. The Hall is located in a very picturesque area, with many tourist attractions and opportunities for adventurous activities nearby. As it falls within the Snowdonia National Park it is subject to some relatively restrictive planning policies and part of the land is designated as a Site of Specific Scientific Interest (SSSI). Running costs are relatively high, particularly energy costs (with the continual use of the drying room) and repair and maintenance costs. The condition survey, last carried out in 2006, identified no priority items, and the mechanical and electrical services are satisfactory, though again showing signs of their age.
22. The principal users of Aberglaslyn Hall are parties of schoolchildren, mostly from Leicestershire schools, and some youth groups. Centre occupancy rates during school term-time (Monday to Friday) tend to be around 93%, but there is considerable under-occupancy at weekends and during school holidays.
23. The financial deficit that is attributed to Aberglaslyn Hall (taking into account operating, management and property costs) was £56,851 for 2010/11. Over the last four years the average deficit as a percentage of total income is 21.2%.

24. Over the last two years, bookings at Aberglaslyn have increased and weekday bookings for the school year 2012/13 are already at 72% of bed capacity.

Consultation response

25. Responders to the consultation on Aberglaslyn identified the particular features that were important to them; the mountain locale, the warmth and friendliness of the centre, the expertise of the staff and their care for children.
26. Two groups of respondents suggested that it may be possible to run Aberglaslyn on a different basis as some form of Trust or social enterprise.
27. Transferring Aberglaslyn Hall to a Trust would relieve the Council of the ongoing liability for the site whilst ensuring that the facilities are preserved for Leicestershire children.
28. Social enterprises are organisations run by their stakeholders, and the governing body would be likely to include schools, members of staff, and possibly members of the local community.
29. The two groups mentioned above are currently exploring the possibility of setting up a Trust to receive and look after the property, and a separate Community Interest Company to manage the staff and services. It has not been possible for them to consider all the legal, financial, staffing and other issues in order to present a fully costed business plan to the Council, but they have undertaken to do this by September 1st 2012. More information on Trusts and social enterprises is included in the Appendix to this report.

Quorn Hall

30. Quorn Hall was built around 1700, is reputed to be the original home of the Quorn Hunt, and is a Grade II listed building. Situated at the north-eastern edge of Quorn village in mature landscaped grounds, it also benefits from some land leased from an adjoining landowner which is an SSSI. It has limited parking on site. Part of the outbuildings and land are leased to external users. The footbridge over the river is currently closed and would require repairs in excess of £100,000 to return it to a sound condition.
31. A condition survey of the property, carried out in 2009, identified no high priority items. Most of the electrical and other services are satisfactory though some light fittings will need upgrading in the next two to four years and some distribution boards within five years. Replacement of the roof lantern lights and roof repairs are items that have been identified as requiring attention along with the repairs to the footbridge. Running costs for the property are in the mid-range.
32. Quorn Hall was set up by the County Council as an International Education Centre in 1983. This use continues, along with its use as an outdoor education centre particularly for river activities, and as a conference and

training centre. Its principal users are students from European countries, mainly Germany, and it is also used for residential and day visits for Leicestershire schools and youth groups where the main focus is on river activities. The Hall also hosts meetings and training events.

33. The financial deficit that is attributed to Quorn Hall (taking into account operating, management and property costs) is £254,472 in 2010/11. In the last four years the average deficit as a percentage of total income is 51.6%.
34. Over the last two years, bookings at Quorn Hall for international residentials have been steady; bookings for local school residential and day visits have increased; bookings for use of the Hall for training, meetings and conferences has declined substantially. The Council staff teams that used to occupy part of the buildings have now all moved out. The Hall is now under-utilised and efforts by the ORLS staff team to reverse this trend have been unsuccessful.

Consultation responses

35. Responses to the consultation suggested that, if there needed to be cost-efficiencies, the transfer of activities from Quorn Hall to Beaumanor should be considered because of their close geographical proximity. This has been further explored and it is likely that most activities for young and/or vulnerable children could be transferred, for example the British Diabetic Association summer camp for children with diabetes, and some of the Leicestershire residential and day visits (depending on dates/availability). It is also likely that some of the training, meetings, and conferences (again, depending on dates /availability) could be transferred to Beaumanor.

Beaumanor Park and Hall

36. Beaumanor Hall, built in 1848, is an imposing early Victorian mansion in the Jacobean style which contains a stable block and courtyard and is set in a 12.8 hectare Park. In the parkland are several buildings dating from World War II which were used as listening posts for Bletchley Park, and a number of other timber/pre-fabricated buildings. The property is situated at the northern edge of Old Woodhouse village, and is subject to a number of restrictive covenants. The area is designated by Charnwood Borough Council as "particularly attractive countryside" and is accordingly subject to planning constraints. There are a number of rights of way across the land. The Hall and the Stable Block are Grade II* listed buildings, and two of the WWII communication huts are Grade II listed.
37. Running costs of the Hall and Park are relatively low, as the property is in good condition. It has the lowest average energy costs and lowest repairs and maintenance costs of the three properties, although on the negative side the Hall has a low energy rating and higher premises costs. A condition survey in 2009 identified no high priority items needing attention, but several items in need of remedial action. Electrical installations are in reasonable condition and not expected to deteriorate significantly.

38. The property was acquired by Leicestershire County Council in 1973 to provide a training centre for teachers. This use continues but to a much smaller extent. The principal users of the Park at present are school children on residential or day visits, who use the cabins as base rooms and for overnight accommodation, having their evening meals in the dining room in the Hall. The Hall is also used for training, meeting and conference purposes for staff from the Council, schools, other public-sector agencies, and private firms. The Hall is also used by the Council for civic events, and by the Leicestershire public for social events and weddings.
39. The financial deficit that is attributed to Beaumanor Park and Hall (taking into account all operating, management and property costs) amounts to £98,704 for 2010/11. Over the last four years the average deficit as a percentage of total income is 7%.
40. During the last two years Beaumanor Park has seen an increase in residential and day visits by schools and has little availability during school term-time. There is availability at weekends and during school holiday time.
41. The Hall has seen a decline in bookings for training, meetings and conferences, though this is still a significant part of the business. The staff teams that used to be based at the Hall have now almost all moved out. The number and range of social events for the Leicestershire public has grown by 37% in the last four years with visitor numbers of 14,886 in 2010/11. Civic functions and events, and weddings and civil partnerships continue to be popular.

Consultation response

42. Within the consultation responses there were a number of suggestions that the use of Beaumanor Hall and Park should be maximised both by the transfer of activities from Quorn Hall and by the development of further heritage and environmental activities for children and adults.
43. A number of ideas for further diversification have been explored including;
 - “Living History”, exploiting the links with Bletchley Park and WWII , which could be financially supported by a bid to the Lottery.
 - A Royal Horticultural Society managed Garden and Visitor Centre.
 - “Heart of the Charnwood Forest” Information and Visitor Centre with a focus on the natural environment, fitting with the Forest’s recognised status as a significant regional forest and in keeping with the strategy recently approved by the County Council.
44. These activities would enable the use of Beaumanor Hall and Park for relevant meetings and conferences, related residential activities, and as a resource centre and meeting hub for local community and wildlife groups, and also for nature groups from further afield nationally and internationally. Its core purpose as a learning and education centre could be developed further for all ages and abilities, linking into the positive activity and fitness agenda, with

connections to rights of way, country parks and adjacent river corridors. There is a growing interest in walking and outdoor holidays, environmental and eco-tourism, natural history, species identification and recording and themed lectures.

45. It is considered possible, given the size of Beaumanor and its variety of grounds, buildings and outbuildings, that all of these uses could be managed concurrently. These developments would also benefit from the refreshment facilities which could expand to meet demand.

Proposals

Beaumanor Hall and Park

46. It is proposed that Beaumanor Hall and Park are retained by the County Council and further developed in order to provide a range of activities for children and adults in Leicestershire. As many activities as possible, particularly those for young and/or vulnerable children, would be transferred from Quorn Hall to Beaumanor.
47. This proposal would build upon the current model of diversification that has been successful in reducing the financial deficit at Beaumanor. A staffing re-structure would be necessary to reflect the reduced role of ORLS which will have implications for current staff.

Quorn Hall

48. It is proposed that Quorn Hall is prepared for closure and sale within a timescale that allows for current bookings to be honoured.
49. The closure of Quorn Hall would affect adversely upon those groups whose activities could not be transferred. These are likely to include the hosting of residentials for international students; the after-school club run by a private provider; canoeing and river activities. The loss of the river base would mean that canoeing and similar activities could not be offered to school and youth groups. The after-school club, which is run by a private provider, would need to find other premises.
50. The financial costs of closure would include redundancy costs estimated at £104,000 and the Council would be required to pay back £112,500 to Sport England for its investment (although the possibility of leasing back the canoe centre from a future purchaser may reduce the need to pay back all of the Sport England grant). Bookings would need to be honoured and during that time the centre would need to be maintained and staffed, probably increasing the financial deficit. The ongoing financial benefits would be the reduction in property costs. When the property is sold the Council would benefit from net capital receipts.

51. The people implications of closure would include redundancy for 22 people (13.4 posts) though all post holders would be eligible to apply for posts in the restructured service.

Aberglaslyn Hall

52. It is proposed that the Council would cease to directly maintain or manage Aberglaslyn Hall with effect from 1st April 2013. The two groups referred to in paragraphs 26-29 above have indicated their intention to submit proposals and a business case to transfer the assets to a Trust, and the staff and services to a community interest company as part of a social enterprise proposal. It is proposed that there should be a requirement for this to be submitted to the Council no later than 1st September 2012, with a transfer date of 1st April 2013. Should this timescale not be honoured or if the Council, upon examination of the business case, decides that it will not provide a workable solution, then Aberglaslyn Hall would close on 31st August 2013 and be prepared for sale.
53. The closure of Aberglaslyn would result in the loss of adventurous residential experiences for approximately 62 school/youth groups per annum (1600-2000 children and young people, most of whom are from Leicestershire). The financial implications would include staff redundancy costs of approximately £72,000 as 9 staff (7.5 posts) would be made redundant. Although all staff would be eligible to apply for posts in the restructured service that may not be feasible for those who are based in North Wales.
54. Financial benefits to the Council would include ongoing savings of property costs and, should the property be sold, net capital receipts.

Consultation

55. The consultation responses were considered in the previous report to the Cabinet on the outcomes of the consultation. Ideas generated through the consultation have been used to develop the proposals in this report.

Background Papers

Report to the Cabinet "Aberglaslyn Hall - Future Management Arrangements" (3 April 2007)

Report of the Corporate Property Strategy Group (2011)

Report to the Cabinet "Consultation on the Future Strategy for Leicestershire's Outdoor and Residential Learning Service" (13 September 2011)

Report to the Children and Young People's Overview and Scrutiny Committee "Consultation on the Future Strategy for Leicestershire's Outdoor and Residential Learning Service" (21 November 2011)

Report to the Cabinet "Outcomes of the Consultation on the Future Property Strategy of the Outdoor and Residential Learning Service" (17 January 2011)

Appendix

Information on Trusts and Social Enterprises.

Equal Opportunity Implications

56. An equal opportunity questionnaire considered the impact of the proposals on the nine protected characteristics. As a result of completing this questionnaire it was considered necessary to carry out a full Equality Impact Assessment (EIA). The conclusion from this assessment was that although the closure of any centre would potentially have a negative impact on children and young people by reducing the number of experiences available, the provision of outdoor learning is the responsibility of each school. Should a council centre no longer be available, school leaders would be able to book with alternative providers of outdoor learning. This is in line with current government policy on giving more autonomy to schools. The proposals militate against the effects on young and/or vulnerable children by proposing the continuation and growth of Beaumanor which was seen in the consultation as the most suitable provision for these groups.