

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY 12 JULY 2004 AT 2.00 P.M.**

Agenda Item No.

8

PROPOSAL TO REORGANISE HERTS OUTDOORS

Report of the Director of Children, Schools and Families

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1. Purpose of the report

To bring to the attention of Cabinet the present position of Herts Outdoors and to consider the proposal to close four centres.

2. Summary

CSF Board is seeking ways in which it can bring its budget into balance. As part of this process, CSF is proposing the closure of the four outdoor centres at Astonbury, Barton, Pelham and the Herts Environment Centre (HEC). This will reduce the Herts Outdoors annual deficit by £127,000. These four centres account for less than 20% of the Herts Outdoors business but are responsible for over 60% of its losses. The service will continue to operate through the two remaining centres at Cuffley and Hudnall Park, both of which have potential for development.

3. Conclusions

- 3.1 The proposal to close the four centres at Astonbury, Barton, Pelham and HEC will reduce the deficit by £127,000 per annum to £75,000.
- 3.2 Further steps will be taken to restructure prices at Cuffley and Hudnall Park and to increase their capacity. These proposals will need to go before the Schools Forum.
- 3.3 The development of the Lodge at Hudnall and the now more effective management arrangements will generate more income without significant increases in revenue costs.
- 3.4 Schools who currently visit the sites that are closing will be offered the facilities at Cuffley and Hudnall Park.

3.5 Cabinet is asked whether they approve the proposals set out in the report.

4. Background

4.1 Hertfordshire Outdoors service is part of the School Standards and Curriculum Division (SSC) and provides environmental education and outdoor activities at the following sites:

- Astonbury to the south east of Stevenage;
- Hudnall Park to the north of Hemel Hempstead;
- Cuffley near Brookmans Park;
- Pelham near the village of Furneaux Pelham in the north east of the county;
- Hertfordshire Environment Centre (HEC) on the site of Pin Green School in Stevenage;
- Barton Turf in the village of Barton, Norfolk.

Herts Outdoors does not include either the young mariners base in Cheshunt or the Snowdonia centre.

4.2 The current service was established in 1993 and for a number of years has received SLA support of £200K per annum.

4.3 Herts Outdoors was subject to a Best Value review in 1999/2000. The principal actions to be followed from that review were to:

- identify opportunities for additional income through more effective marketing;
- secure savings through the removal of the SLA, either through a package of internal efficiency measures, or entering into partnership with other LEAs, or a combination of these strategies.

These outcomes were not fully implemented, so that Herts Outdoors continues to operate at a significant loss.

5. The Current Position

5.1 For some years Herts Outdoors has received an SLA of £220,000. The withdrawal of this subsidy meant that it was no longer able to operate in balance. As a result, the financial burden of sustaining Herts Outdoors fell to SSC. Funding to offset this deficit has been found through the surplus trading balances of SSC. This surplus was exhausted at the end of 2003/04. A financial summary for the last financial year is attached as Appendix 1.

5.2 There has been a marked lack of investment over many years and facilities are in need of upgrading. The staffing patterns are inappropriate and the business is, in part, out of date.

6. The Sites

6.1 Barton

Arrangements at Barton Turf are complex. The site and buildings are owned by HCC. However, the Foundation (HEF) operates the sailing base and receives the proceeds from the use of the centre for sailing purposes. These proceeds are invested in the boats and equipment. The centre is increasingly becoming too expensive for Hertfordshire schools to travel to and business is low. Last year only 15 schools used the facility. The income generated for HCC is therefore very small. The net loss of the centre and therefore cost to HCC was £49k in 2003/04 and is expected to be £54k in 2004/05. More detailed land holding arrangements are attached as Appendix 3.

6.2 Pelham

This centre operates in partnership with Essex County Council's Youth and Community Service and National Grid Transco (NGT) who own the land. Essex and Hertfordshire share the use of the site on a half-week each basis. The site surrounds an electricity distribution substation. NGT makes no charge for the use of the land and provides a free maintenance service for the property. Despite this support and the fact that the centre is fully booked through the summer months, insufficient income is generated to meet the costs and the centre is losing approximately £20,000 per year. Negotiations have taken place with Essex and NGT, both of whom are aware of the proposal to withdraw from the site and no difficulties are anticipated. Indeed it may suit NGT's plans for the future use of the site.

6.3 Astonbury

This is our most basic facility. The land is owned by HCC and covers around 40 acres of mixed woodland and open pasture. It has one old temporary building that serves as a classroom and one toilet. It has no permanent member of staff and at present is serviced principally by the member of staff from Pelham, during the half week when Essex is using Pelham. This centre makes a small profit of around £5,000 per year but there is little potential to develop the site. We have been advised that the site would be unlikely to gain planning permission for development. The poor facilities limit its use to one class at a time during the summer months.

6.4 Hertfordshire Environment Centre (HEC)

This centre has served as an office facility for some years. The staff who work there provide a secretarial service for the other centres and run a grounds consultancy service for schools. This work involves planning, with schools, for part of their grounds to be converted into an

environmental studies area and then commissioning contractors to carry out the creation of this facility. This grounds consultation service alone has lost around £35,000 for each of the last two years.

It is proposed that the above centres are closed. For completeness some notes on Cuffley and Hudnall follow.

6.5 Cuffley

This is a large centre on land owned by Gascoyne Cecil Estates and leased to HCC for a peppercorn rent. In addition to extensive woodland and pasture area it has several classrooms, chalet style residential accommodation and a large dining room. The woodland is divided into a number of campsites that provide permanent tented accommodation which schools can book. As well as science and geography based environmental activities the centre also provides a range of physical activities. The site currently has a bid before the new opportunities fund (NOF) for new dining and kitchen facilities. This is part of the HCC NOF bid for sports facilities.

Over 11,000 children visited Cuffley last year and the income generated was over £340,000. In the last financial year the gap between this income and expenditure was a deficit of £40,000. Cuffley's charges are very low compared to other similar providers. A review of the centre's pricing structure is being carried out and it is anticipated that it should be possible to sustain an average price rise of 10%. This would virtually remove the deficit.

6.6 Hudnall Park

Hudnall Park is a large centre adjacent to the National Trust property at Ashridge. It has large pasture areas and smaller woodlands, centred around an old mansion house, bungalow and lodge. The centre had been allowed to run down for many years but a new manager has been in post since April 2003 and business is rapidly improving. The mansion house is used for classrooms and residential facilities. Plans are in place to convert the lodge into further residential facilities to increase capacity. One pasture area could also be converted into a permanent camping facility. Last year the centre ran at a loss of £30,000 but the increased business being generated by the new manager, a price rise and the proposed developments will enable this site to run on a profitable basis.

For further details on Cuffley and Hudnall Park, see Appendix 4.

7. Financial Implications

7.1 The Hertfordshire Outdoor Service currently costs CSF around £200,000 per annum. For a number of years this sum was met through an SLA but this subsidy was removed two years ago and since then the

deficit has been met from the surplus trading balances of the SSC division. This surplus was exhausted at the end of 2003/04.

- 7.2 The impact of these proposals on staff will mean that three teachers, a caretaker, two cleaners, an administrative assistant and a fieldworker will be at risk of redundancy if they cannot be redeployed. They were notified of the closure proposals and the risk of redundancy on 1st June 2004. Meetings for them with members of CSF Human Resources have taken place during June. The final date for representations was 30th June. The main unions have been issued with section 188 notices. The cost of their redundancy and/or retirement entitlements is expected to be £67,215 in the current financial year with an ongoing pension commitment of £8,696.
- 7.3 The only site with potential sale value is Barton Turf and the property department is currently seeking advice on this issue.

Financial Outturn Results for 2003/04

APPENDIX 1

Overall deficit

Herts Outdoors Outturn Position 2003/04									
Centre	Income	Expenditure				Total	Net	Income as	
		Employees	Premises	Transport	Supplies	Expenditure	Deficit	% of costs	
Herts Environment Centre	-42053	51625	524	7750	16167	76066	34013	55%	
Astonbury/Pelham	-34626	45990	986	1778	943	49697	15071	69%	
Hudnall Park	-54630	49884	11423	3330	23369	88006	33376	62%	
uffley	-345860	230805	44102	3984	107377	386268	40408	89%	
Herts Outdoors Central Costs		25575		2000	2000	29575	29575		
Barton	-15698	56420	3854	3437	968	64679	48981	24%	
	-492867	460299	60889	22279	150824	694291	201424		
							Barton SLA = 153424		

APPENDIX 2

Numbers using the centres in 2003/4

	Day visitors					Residential visitors					Grand total
	Cuffley	Pelham	Astonbury	Hudnall	Totals	Cuffley	Pelham	Astonbury	Hudnall	Totals	
April	539	171	62		772	7	No facility	No facility		7	779
May	765	222	224	144	1355	470			92	562	1917
June	1494	416	314	125	2349	1964			221	2185	4534
July	1099	218	225	6	1548	760			177	937	2485
August	0	0	0	0	0	0				0	0
September	978	48	138	0	1164	261			31	292	1456
October	1267	252	152	166	1837	0			23	23	1860
November	504	22	79	106	711	0				0	711
December	0	0	0	0	0	0				0	0
January	52	0	55	0	107	0				0	107
February	258	120	0	0	378	0				0	378
March	710	295	189	302	1496	18			90	108	1604
Annual totals	7666	1764	1438	849	11717	3480	0	0	634	4114	15831

Numbers for Barton were not collected
 No young people use Herts Environment Centre.

Land holding arrangements at Barton

- a) HCC leases 6.35 acres – “School Camping Site” – to the HEF – for a yearly rent of £1. The original lease dates from 21 June 1999 for a term of seven years. The lease can be determined at a date before 21 June 2006 “if so required by the Landlord”.
- b) HCC leases a small parcel of land (0.27 acres) to the Norfolk Punt Club together with a right of way on foot together with a right of vehicular access for boats and trailers for £3,000 per year. The lease dates from 25 March 1998 for 10 years.

The County Council can determine the lease but would be required to pay compensation to the Punt Club.

- c) The County Council owns the:
 - (i) School Camping Site – 6.35 acres – (Bought 1965)
 - (ii) Freehold land (in part covered by water) – 17.44 acres (Bought 1979) together with a right of way along part of the Staithe.
 - (iii) Freehold land and premises known as “Hillrise” and “Hillcrest” – (Bought 1970). Two bungalows that were converted for residential use but cannot now be used for structural reasons.

THE FUTURE FOR CUFFLEY AND HUDNALL PARK

These centres have the potential to be developed. A detailed business plan will be developed for the centre. This plan will be based around 4 key elements:

1. Improving residential facilities.

Both of these centres have higher quality residential accommodation than the rest of the outdoor centres. Residential facilities are in great demand. These residential facilities will enable the service to extend its provision into the winter months. The proposed NOF development at Cuffley will provide high quality catering facilities and further enhance residential opportunities. At Hudnall Park the conversion of the Lodge into residential accommodation will enable two schools to reside at one time and will double the residential capacity.

2. Increasing prices

Prices at Cuffley and Hudnall Park will be restructured. Research shows that current residential charges are significantly below the market average. The “adventurous activities” provided at Cuffley are also charged below the market average. These proposals will go before the Schools Forum.

3. Improving management arrangements

A new manager was appointed in May 2003 to Hudnall Park and business has been improving since then. A development plan for the centre has been produced and is currently being implemented. At the start of this summer, advanced bookings exceeded business for the whole of the previous year. The managers at both Cuffley and Hudnall are new and are very keen to market the wide range of services they can provide. Arrangements to support and enhance the management of the centres will be established.

4. Transfer of business from the sites that are closing.

The users of the three Hertfordshire based centres that are closing will be offered the opportunity to transfer their visits to Hudnall Park or Cuffley. This will ensure that the needs of schools are continued to be met and will support the business case for the two remaining centres.

Business summary of Cuffley and Hudnall Park

	Cuffley	Hudnall Park
Income 2003/4	£345,866	£54,630
Expenditure 2003/4	£386,268	£88,006
Deficit 2003/4	£40,408	£33,376
Visitors in 2003/4	11,000	1,500
Impact of 10% increase in prices	£34,000	£5,500
Transfer of 50% of day visit business from Astonbury less increased staff costs	-	£10,000
20% increase in business at Hudnall this year (prediction from first three months). No significant increase in costs.	-	£10,000

These summary figures indicate that these two centres can provide a quality service to 13,000 young people annually. The cost to the CSF budget can be significantly reduced in the first instance and eliminated in future years.