

Manchester City Council Report for Information

Report to: Children and Young People Scrutiny Committee – 6 November 2019

Subject: Ghyll Head Outdoor Education Centre

Report of: Director of Education
Strategic Director (Neighbourhoods)

Summary

Ghyll Head has been offering residential outdoor education since 1967 to largely Manchester Schools, over the last few years maintaining uptake from these schools has become more challenging, with occupancy operating at around 50%.

The Council's Parks, Leisure, Youth and Events Team have undertaken a review of the contractual arrangements with One Education for the operation of the centre, this has resulted in an opportunity to work more closely with MCRActive and to progress a "step in" operating arrangement with Greenwich Leisure Limited (GLL) for a 12 month period, with the option to extend and to be a variation to the existing GLL leisure contract. This will enable the Council to stabilise the offer and make improvements, whilst considering the future long term options.

The priority for change is to ensure Manchester schools continue to access a residential experience through the outdoor education offer at the centre. This proposal will also see an enhanced offer for schools that will contribute to pupils outdoor learning which can influence how young people behave and the lifestyle choices they make in the future.

This report sets out the work that has been undertaken to examine the option of progressing a new operating arrangement for Ghyll Head as part of the Council's wider Leisure contract GLL.

Recommendations

That members of the committee

- 1) Note the content of this report.
- 2) Support the proposal to recontract the operation of the centre to Greenwich Leisure Limited under a variation to the existing leisure contract

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The capital development programme will deliver energy efficiencies on operating the main house and bungalow.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Increased participation in outdoor adventurous activity contributes to the economy of the city whilst new programmes in the city will attract new participants which can encourage new investment and funding in the city which will lead to an enhanced and expanded offer for our residents
A highly skilled city: world class and home grown talent sustaining the city's economic success	This report outlines how outdoor adventurous activity contributes greatly to health and fitness and continuing participation in outdoor pursuits, it also encourages the maintenance of a healthy lifestyle into adulthood. Active learning and adventure outdoors introduces young people to the environment in a way which develops an understanding and appreciation.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Giving residents and school children the opportunity to access outdoor adventurous activity in a residential setting that is set in a unique environment outside of the city. Contributing to individual's life experiences and creating an appreciation for the outdoors.
A liveable and low carbon city: a destination of choice to live, visit, work	This report describes work towards ensuring that access to a varied cultural, leisure & recreational offer that has an impact on supporting community wellbeing, and maintaining a healthy lifestyle through lifelong participation back in the city
A connected city: world class infrastructure and connectivity to drive growth	Access to the Lake District National park connecting residents and school children to the outdoor experience

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Background documents (available for public inspection):

None

1.0 Introduction

1.1 This report sets out the work that has been undertaken to examine the option of progressing a new operating arrangement for Ghyll Head as part of the Council's wider Leisure contract with Greenwich Leisure Limited (GLL).

2.0 Background

2.1 Ghyll Head is owned by Manchester City Council and is located in Cumbria with facilities on the edge of Lake Windermere. The site has been offering residential outdoor education since 1967 to largely Manchester Schools. The Centre has been a key part of the Council's Education offering, providing support for learning outside the classroom.

2.2 For over 40 years Ghyll Head benefited from many Manchester schools being governed by the Local Education Authority. This ensured that access to Ghyll Head for the National Curriculum Outdoor Residential Experience at key stage 2 was subsidised through the dedicated schools grant. In recent years, changes to schools funding and the growth in independent providers has resulted in some schools making different decisions about who supports them with outdoor learning. In response to this, Ghyll Head has evolved into a trading service and this has been overseen by One Education since 2010. Whilst this arrangement has stabilised the operation of the Centre, it remains a challenge to attract new schools to take up the offer at Ghyll Head and the business plan still requires assistance from the Council to ensure that the facility is viable.

2.3 The current financial arrangement with One Education is that Children's Services pay a fixed management fee of 12.5% of income, capped at £70K per annum. There is a division of responsibility for the maintenance of the assets and theoretically the replacement of life expired items could be covered by revenue income surplus, however to date surpluses haven't been realised.

2.4 The Centre is set with 17 acres located within its own grounds, overlooking Lake Windermere. It is believed that the main building was originally constructed in 1850 as a manor house with an extension added in circa 1900. In recent years the property has been used as an outdoor adventure centre and consists of bedrooms, bathrooms, commercial kitchen, offices and storage areas. Several sheds, greenhouses and a climbing wall are also located within the grounds.

2.5 The main building can accommodate up to 52 people for residential use and there is a fully accessible bungalow that can accommodate 16 people. The main house is tired and needs considerable investment to upgrade the facilities in order to compete with other educational facilities on offer to schools.

2.6 The detached bungalow provides accessible accommodation for 16 people in a single storey building with a meeting room/classroom, it's in poor condition and in need of decoration.

2.7 The old boathouse is in poor condition and comprises of changing rooms, classroom on the first level and boat storage on the lower level.

2.8 The new boathouse is a purpose built 3 store new build circa 2011/12 and is in good condition. Funding has been allocated to replace the wooden jetty through the Asset Maintenance Programme (AMP). The boathouse offers a meeting room/classroom, changing facilities and access to the lake.

2.9 The centre is currently operating at approximately 50% occupancy, the current layout of rooms in the main house only allows one school booking at a time, which in turn reduces the number of programmes that can be delivered.

2.10 The staffing structure comprises of 14 permanent employees and 17 casual/seasonal instructors.

2.11 Numerous Manchester schools return to the centre every year due to its unique location that offers a wide range of activities for pupils in contrasting environments, giving them the ability to develop essential life skills and experiences outside of the normal school routine. During the 18/19 Financial Year Ghyll Head worked with 68 MCC schools and 28 MCC Youth/Community organisations, many of which brought groups on more than one occasion. The Centre worked with 3851 individual young people, giving them the opportunities to develop essential life skills and have experiences outside of the normal school routine.

2.12 There is a vast choice of activities which are well organised and delivered by qualified education staff giving pupils the opportunity to be independent and try new activities. All of the equipment is provided and is of a high quality giving schools assurances that activities are delivered in a safe, structured environment. Although the centre has some immediate challenges with the buildings, the quality of the setting and activities are still held in high regard by many schools. The centre is accessible and has developed expertise in providing outdoor education experiences for children with special educational needs and disabilities (SEND) and is used by a number of Manchester special schools. In recent years it has also provided short breaks for children with SEND with their parents/carers.

2.13 Whilst each course is tailored to the desired needs of each group, the underlying themes of raising self-esteem, promoting tolerance, developing communication and problem-solving skills all help to deliver the Council's 'Learning through Adventure' and 'Skills for Life' strategies. A number of schools use the Centre to enhance their curriculum offer for example running maths, english and science revision weekends, GCSE/BTEC P.E outdoor modules and A-level geography field study courses. The Centre has been involved in the delivery of DofE and NCS programmes and provides workforce development opportunities in the form of Outdoor NGB skills and coaching courses.

3.0 Current Position

3.1 With the exception of the boat house, the various buildings have benefited from limited capital investment over the last ten years. As a consequence the condition of the built assets is poor to satisfactory and the general décor is tired and dated. There is no decoration programme currently in place, with decoration instead

being undertaken on an ad-hoc basis. Internal redecoration was last undertaken in 2008.

3.2 A Condition Survey was undertaken in 2016, which estimates that £770,633 will need to be spent on essential works over the next 8.5 years. These estimates are based on a visual inspection/ condition survey carried out by Atkins on behalf of the Estates Team. Please note that Intrusive Surveys would be required to verify these estimates.

4.0 Capital Proposal

4.1 As a consequence, GLL have reviewed the current business plan for the site and undertaken a full assessment of the operating model, working closely with the staff onsite and their own team who operate comparable venues in the area. GLL's brief was to examine how they could transform the site to ensure that it is financially viable in the long term, without the need for an ongoing subsidy being provided by the Council.

4.2 The assessment undertaken by GLL has revealed that the following items need to be progressed to assist with getting the facility on a more secure financial footing:

- Enhance the current educational and community offer with investment into the main education rooms within the house.
- Review room layouts and usage to increase occupancy – an additional 40 x bed spaces in main house have been identified as deliverable.
- Create more flexible bedroom spaces to ensure that the venue is more attractive to a range of different booking types, including smaller group bookings.
- Create more flexible spaces to accommodate meetings/conferences.
- Introduce new low cost outdoor accommodation for 24 people:
 - 8 x Camping Pods
 - 2 x Camping Huts
 - Log Cabin
- Introduce a new digital solution and online booking capability.
- Develop a broader Marketing Strategy, which not only focuses on strengthening uptake by Manchester Schools, but also focuses on generating alternative uses and increasing occupancy.
- Establish resource sharing arrangements with other GLL facilities in South Lakeland partnership to achieve operation economies.

4.3 The scope of the proposed capital works and the identified essential high priority works have been costed to the value of c.£1.1million subject to further surveys and testing the market.

4.4 On the basis that all of the above capital investment is made into the venue, GLL have developed an 8.5 year revenue business plan forecast, based on a contracting agreement being coterminous with the Council's existing leisure contract. The budget projection shows income increasing to £1.048M and expenditure increasing to £984k by year 9 – generating an operating surplus of £63k. Overall the

projections show the venue becoming sustainable by year 3, with the first 2 years operating with a small deficit. Over the term a total net surplus of £225k is forecast which will be reinvested into the centre.

4.5 The transition to GLL would see a reduction in the current contract fee of £595K over the term of the contract on Children’s Services budget which has remained a budget pressure. In addition, the Council would avoid c.£770k of AMP spend over the same period, however, it should be noted that there is no budget allocated within the AMP to cover these costs. The savings for the Council over 8.5 years are summarised below

Reduced Costs and Savings	
Current fee arrangements (One Education) - Multiplied over 8.5 years	£595,000
GLL net operating surplus (over 8.5 years sinking fund)	£225,867
AMP costs avoided (over 8.5 years)	£770,633
Total Savings	£1,591,500

5.0 Controlling Risk

5.1 It is proposed that the Council's Parks, Leisure, Youth and Events Team working closely with MCRActive will progress a “step in” operating arrangement with GLL (for a 12 month period, with the option to extend to be coterminous with the existing GLL leisure contract). This will enable the Council to stabilise the offer and make improvements, whilst considering the future long term options. The rationale behind identifying GLL to step into the operation of the site is that:

- GLL currently have an operating contract with the Council for various facilities where the Council retains control over pricing, programming and building modifications. The Council also has a robust service specification in place which can be adjusted for Ghyll Head to safeguard the outcomes for Manchester Schools and residents and therefore, substantially mitigating key risks.
- The Council has effective monitoring arrangements in place with GLL, which will ensure that progress is closely tracked.
- GLL operate other facilities in the Lake District, which will enable outcomes to be maximised and economies of scale to be achieved.
- GLL oversee the management of Debdale Outdoor Centre - adding Ghyll Head to the contract will enable children & young people who experience a residential opportunity in the Lake District to access further outdoor adventurous activity back in the city on a regular basis, either on a recreational basis or through a clear progression pathway from an outdoor adventure experience to accredited courses, volunteering opportunities and a sustained interest in outdoor adventurous activity.

5.2 It is recognised that outdoor adventurous activity contributes greatly to health and fitness and continuing participation in outdoor pursuits, it also encourages the maintenance of a healthy lifestyle into adulthood. Active learning and adventure outdoors introduces young people to the environment in a way which develops an understanding and appreciation. For this reason, it is proposed that Manchester schools access will be protected through a booking protocol that will protect prices and give priority to Manchester schools over all other usage.

5.3 The business plan will permit other bookings/activities outside of school use such as public lettings and conferencing. However, these will be targeted at times which are currently unoccupied, such as at weekends and outside of term time.

5.4 It is proposed that a Stakeholder Board is established to oversee and govern the management of the centre, representative would be invited from Education & Leisure Services and Manchester Secondary, Primary & Special Schools. It is also proposed that a profit share arrangement is agreed with GLL where the Council's share of any profit is ring-fenced for reinvestment back into the site, regardless of the performance of the rest of the contract.

6.0 Conclusion and Next Steps

6.1 The review undertaken by GLL demonstrates that there is strong growth potential for Ghyll Head if the facilities are developed to modern standards. GLL are prepared to operate these facilities on either a short term or long term basis and they are prepared to underwrite the revenue projections and insulate the Council from any ongoing revenue risk. This would generate the Council a saving of c.£1.59M over the next 8.5 years*. To achieve this level of saving, the Council would be required to invest £1.1M in capital, any investment would be subject to approval through the Council's capital checkpoint process.

6.2 Under this new arrangement GLL can build on the past successes of the schools residential programme and develop an enhanced offer that will grow participation and encourage Manchester schools to choose Ghyll Head as their first choice for their outdoor education experience.

6.3 If approval is granted the centre will be added to the existing leisure contract with GLL by way of variation, which will end in 2028 unless agreed earlier by either party.

6.4 MCRactive will manage the contract through the existing leisure facilities contract arrangements. GLL South Lakeland Partnership will be the operator.

6.5 GLL will undertake the capital works and MCC Capital Programmes will oversee this. There will be a division of responsibilities for the on-going maintenance of the assets in line with the current agreement and MCC Estates will manage the Asset Management Programme.

The next steps are as follows:

- Secure the proposed capital funding

- Prepare CP1 submission.
- Progress dialogue with staff affected.