

# Education, Children & Families Committee

10.00am, Tuesday, 10th December 2019

## Pricing policy – community access to secondary schools and outdoor learning

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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- 1.1 The Education, Children and Families Committee is asked to:
  - 1.1.1 Approve an additional non-core hour charge of between £10 per hour and £50 per hour for community access to secondary schools' subject to ratification by the Council as part of setting the Council's 2020/23 budget. The charge to become effective from 1<sup>st</sup> April 2020.
  - 1.1.2 Approve 20/21 and 21/22 Outdoor Learning residential prices for school residential and commercial users subject to ratification by the Council as part of setting the Council's 2020/23 budget.
  - 1.1.3 To note that Council approval is required for the delegation of authority for Outdoor Learning pricing to be varied based on demand and agree that the Chief Executive includes this when he next reports to Council on the Scheme of Delegation to Officers.

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# Report

## Pricing policy – community access to secondary schools and outdoor learning

### 2. Executive Summary

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- 2.1 This report asks for approval to introduce an additional charge for use of secondary schools outside of core hours, approve the proposed fees for Outdoor Learning and support the delegation of powers for the Outdoor Learning service to vary agreed fees to reflect demand at the Outdoor Centres (Benmore and Lagganlia).

### 3. Background

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- 3.1 The principle of an additional charge for community use of secondary schools outside of core hours was approved by Education, Children and Families Committee on 14 August 2019. This report is required to approve the variable amount that would be charged to customers.
- 3.2 The Outdoor Residential Centres, Benmore and Lagganlia, are operated by the Sport and Outdoor Learning Unit. As a trading service, the Outdoor Centres are proposing a fee structure, with the flexibility to vary fees under certain specific circumstances, to support participation in core educational provision linked to reducing inequality (school residential); balanced with maximising income generation particularly in non-core commercial operations which is then invested into the core provision. This report provides detail on this rationale.

### 4. Main report

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#### Community access to secondary schools

- 4.1 As detailed in the report to Education, Children and Families Committee on the 16 August 2019, the revised opening hours framework for access to secondary school sport facilities has accommodated all existing users within this. There is also significant capacity within these hours for new customers. Any request for access out with the opening hour framework will result in additional costs to the Council and it is unlikely that the income from these lets will cover the costs. Allowing lets

outside of the opening hour framework would likely increase the budget pressure on the project. Although this would only be for new let requests, who would be encouraged in the first instance to take a let within the opening hour framework, there could be an instance where the customer only wants access out with the framework. For such cases it would be appropriate to include an additional charge as part of the fee to ensure that the Council is not further subsidising this access.

- 4.2 Education, Children and Families Committee approved the introduction of an additional charge for non-core hour bookings on the 16 August 2019, but the report did not state the amount of the charge.
- 4.3 The recommendation is that this is a variable amount between £10 per hour and £50 per hour. The amount would be varied to keep the costs as low as possible for the customer. The charge would be shared between the number of users in the school during the non-core hours, therefore the more customers in the building the lower the charge would be.
- 4.4 If only one user is in the building the additional charge would be £50 per hour. Two users would result in £25 per hour per user charge and so on.
- 4.5 For the avoidance of doubt, this charge would be applied to sport and non-sport bookings in secondary schools. The core hour opening framework in place for sport bookings in secondary schools also applies to non-sport bookings.

#### Outdoor Centres

- 4.6 The Outdoor Learning Team requests approval for the fees as set out in Appendices 1 and 2. The service requests permission to vary fees for core educational provision and commercial activities within agreed parameters as set out below. The fees proposed seek to (i) support participation in core educational provision linked to reducing inequality (school residential); (ii) remain competitive within the school residential marketplace; and (iii) be responsive within a highly competitive marketplace for commercial/non-core activity, such as self-catering.
- 4.7 Outdoor Centres – Core Educational Provision:
  - 4.7.1 The Outdoor Learning Team seek approval on 2020/2021 and advance approval on 2021/2022 core educational residential pricing. This provides schools and families enough time to plan and budget. The City of Edinburgh Council (Council) schools can engage with the Outdoor Learning Team to gain advice regarding funding residential.
  - 4.7.2 Core educational residential fees and quality of service are benchmarked against outdoor learning providers across Scotland and the UK. The proposed fees for academic years 2020/2021 and 2021/2022, as shown in Appendix 1, are assessed by the service to be in line with comparable provision. The proposed fee increases are collectively within the Council's financial planning framework. There is an expectation that Council's primary schools choose Benmore or Lagganlia as their first choice of a fully serviced residential outdoor learning week. Residential visits are planned in considerable advance, most bookings are placed up to 2 years in advance. This lengthy lead time supports

the Council's 1 in 5 Poverty Project and provides schools and families time to plan and fund residential visits.

- 4.7.3 The Outdoor Learning Team have assessed the need to increase fees in the face of rising costs balanced with affordability for families and placement in the market. Many schools operate a wide range of significant strategies to reduce the cost to families. This includes accessing grants, fundraising and using the Pupil Equity Fund. The Outdoor Learning Team is developing and offering support to schools.
  - 4.7.4 Seasonal pricing bands, offering 4 price options are set 2 years in advance. Fees for Council schools range from £260 - £315 for 20/21 and £275 - £325 for 21/22. Notice of fees, booking information, and a priority booking window are distributed to Council schools at the start of each new school year.
  - 4.7.5 Once the Council schools have secured their preferred dates, bookings open to other Local Authority and non-council establishments including private schools. These other establishments are given quotes based on a demand-led method. A demand led pricing approach is common practice in the residential industry. The service requests approval to increase fees, as shown in Appendix 1, to non-Edinburgh Council schools up to a maximum of £50 per person.
  - 4.7.6 In the event of late cancellation or significant drop in numbers, it is proposed the Outdoor Centre would reduce fees. The minimum price per head to generate a net profit is £225 per person, therefore the service requests approval to reduce the fees, as shown in Appendix 1, to this level. Discounted pricing could be considered for availability within the coming 12 months; most schools book residential two years in advance, shorter timescales are less desirable due to challenges with planning and budgeting. Discounted prices would be available to all internal (Council) and external establishments to maximise the chance of filling any late availability. Normally, late opportunities are actively promoted within 6 months of the availability, with the level of discount increasing incrementally as the window for schools to collect fees decreases. It is proposed that discounts will be offered within the parameters outlined in this report by the Facility Coordinators, having been approved by the Principal Officer in Outdoor Learning.
  - 4.7.7 As a traded service, the Outdoor Learning Team fully recognises the need to maximise income to offset rising costs whilst taking account of affordability. The Team intend to deliver income maximisation by increasing core occupancy through targeting smaller sized primaries and secondary establishments, working with schools to source funding solutions, adopting demand led pricing for external establishments and ensuring estimated pupil numbers are accurate and confirmed as early as possible to operate as near to capacity as practical.
- 4.8 Outdoor Centres – Commercial Provision:
- 4.8.1 Income from commercial provision, generally weekends and holiday periods when not used by schools, is directly invested into the core educational provision. A significant amount of commercial activity is self-catering provision.

- 4.8.2 Commercial fees are based on industry research. Current and proposed prices for 20/21 are shown in Appendix 2. These prices are set by comparing similar accommodation in the local areas of Cairngorms and Argyll. As members of Visit Scotland's Tourism Scheme, the Centres receive (i) an annual inspection which provides a rating relative to accommodation type and standard; and (ii) pricing and development advice to assist appropriate placement in the local markets. The base fee is regularly reviewed in line with this research and recommendations.
- 4.8.3 To be responsive in a competitive and commercial market, there is a need to be able to adjust fees up or down in accordance with demand and opportunity. Cairngorms is known as an all year-round tourist resort. Occupancy fluctuates throughout the year, there are no consistent trends of note. Demand can increase with events such as new year and seasonal weather conditions such as snow or sun. If demand is high, the Outdoor Centres need to seize the opportunity to increase fees. Similarly, if demand is low or late cancellations occur discounted promotions need to be implemented.
- 4.8.4 Occupancy and availability are now visible centrally and can be better supported by the Sales and Operations Officer. New online applications integrate with industry leading booking platforms; Booking.com and Trip Advisor and allow instant price changes and promotions to be applied. Late deals are promoted on the Experience Outdoors website, social media channels and partner listings. Daily deal sites such as 'ITISON' are utilised to assist visibility of late availability to increase reach to new customers and maximise chance of filling vacancies.
- 4.8.5 Discount from the prices shown in Appendix 2 could be up to a maximum of 50%. Uplift from the prices shown in Appendix 2 could be to a maximum of a 35%. It is important to note that fixed costs are covered within the Outdoor Centre's budget. It is in the interest of the business to maximise occupancy at all opportunities; offering accommodation at the discounted rates will still deliver additional net income to go towards fixed costs. Discounts will only be applied when it is unlikely the full rate would be achieved. Discounts are normally offered within 3 months of late availability but could be considered from 6 months onwards and adjusted incrementally as date of vacancy approaches. Month to month occupancy is reviewed and late availability offers are promoted.
- 4.8.6 There are standing staff benefit discounts for certain organisations such as NHS and City of Edinburgh employees, ranging from 10 – 25%, depending on demand.
- 4.8.7 New commercial experience packages are being considered and developed. The service requests approval to pilot packages as they are developed and to set prices having benchmarked within the competitive market and to reflect demand and late-cancellations. The service will report to Committee on any developments in this area with the findings informing future fee setting processes.

- 4.9 The Outdoor Learning Team consider (i) maximising core residential and commercial occupancy; (ii) supporting schools in reducing the direct costs to families via grants, funds and fundraising; (iii) creating new commercial and core business; and (iv) continuously trying to reduce costs as the best options to minimise core residential fees to Council schools and families balanced with raising enough income to operate a high-quality cost-effective service.
- 4.10 To allow officers to vary prices in line with the conditions set out above Council approval is required for the delegation of authority on price setting. It is recommended that the Chief Executive includes this request when he next reports to the Council on the Scheme of Delegation to Officers.

## **5. Next Steps**

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- 5.1 If approved, the new pricing policies would be implemented from 1 April 2020.

## **6. Financial impact**

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- 6.1 The proposed pricing structure and facility to vary prices to maximise income due to late cancellations, vacant periods and commercial market opportunities will improve access and generate additional net income to ensure the service operates within budget.

## **7. Stakeholder/Community Impact**

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- 7.1 The new policy for community access to secondary schools would allow customers to use schools outside of core hours. Without the charge, access would not be possible.
- 7.2 The strategy behind the pricing policy will contribute to equality of access and commercial success.

## **8. Background reading/external references**

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- 8.1 [Item 7.9 – Transfer of secondary school sport facilities to Edinburgh Leisure – Education, Children & Families Committee – 16<sup>th</sup> August 2019](#)

## **9. Appendices**

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- 9.1 Appendix 1 Outdoor Learning Residential fees – The City of Edinburgh Council Schools
- 9.2 Appendix 2 Outdoor Learning Commercial fees.

## Appendix 1

19/20		20/21				21/22			
arrival date	price per person	arrival date	price per person	% price change	comments	arrival date	price per person	% price change	comments
1 Aug – 30 Sept	£305	3 Aug – 21 Aug	£295	-3.20%	first weeks of term are undesirable dates	2 Aug – 20 Aug	295	0	first weeks of term are undesirable dates
1 Oct- 30 Nov	£295	24 Aug- 2 Oct	£315	3.20%		23 Aug - 1 Oct	325	3.2%	
1 Dec - 30 Jan	£245	5 oct - 27 Nov	£310	5%		4 Oct- 26 Nov	320	3.2%	
1 Feb - 31 Mar	£295	3- Nov - 29 Jan	£260	6%		29 Nov - 28 Jan	275	5.8%	
1 Apr - 31 Jul	£305	1 Feb - 26 Mar	£310	5%		31 Jan - 1 Apr	320	3.2%	
		29 Mar - 31 Jul	£315	3.20%		4 Apr - 29 Jul	325	3.2%	

will apply to new bookings from Nov 19 yet to be put through system

3 -5 % increase each year for next two years

## Appendix 2

		2 nights			4 nights			week		
	capacity	weekend 19/20	20/21	%	midweek 19/20	20/21	% change	7 nights 19/20	20/21	% change
accomodation	pp/pn	25			18			16		
Ptarimagan	6	300	329	9.6	432	499	15.0	672	699	4%
	pp/pn	20			14			12		
Anderson	10	400	429	7.2	560	599	6.9	840	899	7%
	pp/pn	22			16			14		
Sgorans	16	704	729	3.5	1024	1099	7.3	1568	1599	2%
Caerketton	17	748	729	-2.5	1088	1099	1.0	1666	1599	-4%
Hillend	18	792	729	-7.9	1152	1099	-4.6	1764	1599	-9%

small group- Ptarimagan and Anderson have had investment/improvements, therefore considerable increase. demand is high, occupancy is consistantly good.

large group- Sgorans, Caerketton, Hillend. Significant difference in demand for Sgorans compared to other 2, prices have been matched to Sgorans in order to improve Hillend and Caerketton occupancy.

Hillend and Caerketton are bunk style accomodation, a small decrease provides more competitive pricing in this large group market.

VISIT SCOTLAND JAN 20, PRICE  
IMPLEMENTATION APRIL 20