**Redesign Board Workshop 17.10.17**

**School lets pricing and availability**

**Action note**

**Board members present:** Cllr Lobban (Chair), Cllr Reiss (Vice Chair), Cllr Davidson, Cllr Jarvie, Cllr Louden, Cllr C Smith, Cllr M Smith, Paul MacPherson

**Apologies:** Cllr Baxter,Cllr Bremner,Cllr Caddick, Cllr Christie, Cllr Cockburn, John Gibson, Cllr Mackenzie, Cllr MacKinnon, Cllr A Sinclair, Cllr Wilson.

**Other Members present:** Cllr Finlayson, Cllr Gray

**Staff present**: Ollie Bray, Moira Greene, Finlay MacDonald, Carron McDiarmid, Brian Porter, Phil Tomalin**,** Derek Yule.

1. **The Chair proposed extending the timing of the workshop on 14th November** to run from 2-5pm instead of 2-4pm to enable a discussion on Project Catalyst in addition to the other workshop items. This was agreed and Carron will send round an up-dated invitation.
2. **School lets pricing and availability**

Phil Tomalin presented an overview of different elements of the management of lets project which moved to D&I when the catering, cleaning and facilities management function transferred from Care and Learning. The project has 4 elements:

1. Improve booking process (Lean review) – as demonstrated at the previous workshop
2. Rationalise schools available for lets
3. Review pricing
4. Grow the business

The overall project seeks to make the service financially sustainable, more efficient and with service improvements, recognising the wider educational, social and volunteering benefits associated with community use of school facilities. Key changes presented and discussed included:

* Implementing the Lean review recommendations which will reduce the number of steps involved in booking lets from 61 to 8, improve customer service, enable a more efficient use of buildings and staff and enable new income opportunities.
* How to make the 2009 policy on lets more fit for purpose and with better parity on lets offered in other Council buildings operated by HLH.
* How to move away from lots of single lets in lots of schools and to concentrate lets in fewer facilities to improve efficiency, especially in the Inverness and Nairn areas where 70% of all lets take place. Some early piloting work is underway in the Culloden Associated School Group (ASG).
* Ensuring liaison with Head Teachers so that schools have first call on lets for their own after school clubs, events, concerts and parents’ evenings for the term ahead and beyond.
* Getting a commercial approach that was socially responsible and supported other policy objectives around closing the attainment gap, enabling volunteering and healthy/active life choices.
* A difficulty in releasing cashable savings from efficiencies relating to janitors’ time (as these were being re-directed to support those schools without current janitor cover) and schools administration time (as individual lets often took small fragments of staff spread across a number of schools rather than releasing Full Time Equivalent (FTE) savings).
* Reaching optimum use of the school lets already paid for through PPP arrangements.
* Clarifying the difference between Band A and Band B charges. Band B charges apply where the person running the activity retains income from the activity.
* For the service to be self-sustaining, it was highlighted that charges for lets would have to increase by 39% in 2018/19 and then 10% per annum each year to 2022/23. This option was seen to cause more harm than good. Any increase above 5% would make the Council uncompetitive. Also this increase would only cover costs associated with lets and not with the maintenance of facilities or equipment, so Council subsidy to enable community activity through lets is recognised and valued.
* Understanding why rationalising lets had not been successful to date.

Next steps on balance favoured by the Board included:

1. Acknowledging that an initial savings target of £225k from 2015/16 had been too ambitious. Savings assumptions made then are no longer feasible as the number of lets has declined and charging levels estimated had been too high for the groups affected. Of the savings target £182k would not be achieved from 2018/19 and would be better treated as a budget pressure rather than a budget gap to reduce from within the school lets budget. This can be dealt with as part of the budget process.
2. Retaining free lets for those currently receiving them given the costs and benefits involved. Moving away from free lets is estimated to generate a relatively small amount of income (£40k) compared to the effort required to achieve it, along with the negative impact on other Council outcomes and perception locally.
3. Recognising that with 70% of the lets in Inverness and Nairn that this should be the focus for rationalising lets and managing demand. This also recognises the constraints on rationalising provision in rural communities where often the school is the main or only provider; although some communities also had village halls and some were well supported by community benefit.
4. Finding ways of keeping lets costs down.
5. One way of reducing costs is to assess whether the re-negotiated level of 15,000 hours p.a. of PPP lets is too high and whether 12,000 would be more appropriate. If negotiated this could save up to £90k but the impact on current users and the scope for using non-PPP schools instead needs to be further explored. The new central booking system would be more able to manage any risks associated with exceeding the limit and incurring more charges, supported by new on-line booking and future ICT solutions. Any reduction in the PPP hours would require renegotiation.
6. Limiting an increase of 5% on charges to keep the Council competitive and on a par with HLH charging, with further modelling on impacts carried out which could include consultation with current users. Modest annual increases, e.g. at RPI would be preferred to years of no change and then a large increase, as experienced over the past few years.
7. Examining the scope and impact of extending lets outwith the current 5.5 days provision, as HLH does over 7 days.

The discussion highlighted where further action is required in developing the approach to school lets. This will be subject to decision-making at future Committee meetings, although Members could be briefed on the emerging approach to the management of lets project.