

## **A commentary on the Review of Residential and Outdoor Education Report** **By Professor Paul Teague, Management School, Queens University Belfast.**

In February 2016, the Education Authority of Northern Ireland issued the document *Review of Residential and Outdoor Education*. The stated motivation for the Review was to conduct a baseline audit of outdoor education centres to advance the Education Authority's Priorities for Youth Policy. The document does not make clear whether similar baseline audits were conducted on other funded youth service provision. The review it was stated would be carried out in accordance with Best Value Principles, including the use of the '4Cs'

- Consult with all key stakeholders
- Challenge all elements of the service
- Compare with other service providers
- Demonstrate Competitiveness

The outcome of the review was a proposal for a large-scale restructuring of residential and outdoor education in the region, including the closure of four outdoor education centres: Bushmills; Ardnabannon; Killowen; and Delamont. The proposal can only be viewed as far-reaching: if it were to be implemented in full it would lead to a 41% reduction in outdoor education capacity, a near 50 per cent decline in employment in the statutory outdoor education sector and to about 44% fewer young people experiencing some form of outdoor education. Thus the proposed cutbacks are huge and will unquestionably radically change the scale and scope of outdoor education in N. Ireland. Moreover, it needs emphasising the irreversibility of these cutbacks – once implemented current provision can only be restored at prohibitive cost.

Because of the enormity of the proposal, it was beholden on the review team to set out a well-developed, well-reasoned and evidence-based case for the closure programme. Yet, it is our considered view that the review team have systematically failed to do so. Instead the public has been served up a Review that lacks coherence. The shortcomings of the Review are multiple: no discussion is presented of what might be meant by the concept of competitiveness – perhaps the key Best Value principle – in the outdoor education sector; the methodology used in the Review is shot through with weaknesses; the Review is peppered with loose and muddled thinking on key concepts (such as proximity and concentration); completely absent is any detailed explanation as to how and why the closure programme follows from the fragmented pieces of data and arguments contained in the review; no attempt is made to evaluate the feasibility of alternative scenarios for the future of outdoor

education in N. Ireland; no appreciation is displayed let alone discussed of the wider implications of the closure programme. In other words, we consider the review to be of very poor quality and to use it as the basis for any type of policy decision, let alone one with such large-scale implications, would be an egregious error.

### **Competitiveness of the outdoor education sector**

Competitiveness is a concept that is widely used, but rarely defined. In business, it is usually taken to refer to both the quality and cost of a product and service. Thus, for example, Germany exports more cars than any other country largely because people around the world want to buy a Mercedes, BMW, VW or whatever as they regard these brands as possessing an attractive balance of cost and high quality. In relation to private sector activity, the market is the arbiter of whether or not a product or service is competitive: if a good or service is considered not to contain the right combination of quality and price then people will not part with their money. In the public sector, where the market plays a much limited role, the quality of a service has to be derived by using a proxy. More often than not that the proxy used is some type of survey of users or stakeholders.

Thus, the starting point of our analysis is actually the last section of the Review on Customer Performance, which report the findings of various conducted surveys. The picture that emerges from these findings is of an outdoor education sector that enjoys unqualified support amongst young people, parents and school principals. The levels of satisfaction expressed by these stakeholders are deeply impressive. Consider first young people; 96% reported that they enjoyed the activities that they did at the centre; 96% said that staff were good at instructing; 90.6% said that they would recommend the centre to their friends. Now consider the reported views of parents: 96.1% said that their child benefited both developmentally and educationally from visiting a centre; 97% were of the view that all young people should be given the opportunity to attend an outdoor education centre; 96.5% said they would recommend a centre to other people. Finally, consider the views of teachers, youth workers and leaders. This group unanimously - 100% - reported that they thought centres were stimulating for young people, that young people benefited from attending an outdoor educational centre and that that they would recommend the centre to others.

These are customer satisfaction ratings that would be the envy of any organization, whether in the public and private sector. The figures also show beyond dispute that the outdoor education centres are delivering a range of activities in an extremely competent manner that are highly valued by young people, their parents and their teachers and youth leaders. In the context of such hyper-performance,

a reasonable assumption is that the first response of any decision-maker would be to figure out how best to protect this service if not to explore ways for its expansion. Yet no appreciation emerges from the Review for the outdoor education centres that comes anywhere near the satisfaction levels reported by the stakeholders of the service. If anything, the information from the stakeholder surveys is shunted to the margins of the review, playing no part in the analysis presented to determine whether or not the service accords with Best Value Principles. As a result, stakeholder satisfaction - a key to this part of the competitiveness story is simply not factored into the assessment set out in the Review and this can only be considered a glaring omission.

### **The Haphazard Discussion of Overcapacity**

But of course competitiveness involves more than quality, it also involves cost. This is the matter on which the Review focuses the most. A number of interrelated arguments are developed in the Review. First, there is a recurrent gap between income and expenditure, which in 2014-15 amounted to £3,037,216 million, estimated to be about 10% of the Education Authority's Youth Service budget, but on our calculations, only 0.14% of the total Education Authority's budget of approximately £2.266.67 billion. Second, there is over-capacity in the outdoor education centre provision of approximately 190 bed spaces. Third, there is substantial maintenance backlog that amounts to about £3.3 million, although the maintenance bill varies considerably from centre to centre, ranging in relation to the centre ear-marked for closure from £1.4 million for Delamont to £79,000 for Killowen. In a nutshell, the Review uses these arguments to suggest that the outdoor education centres have become too expensive to operate and thus candidates for closure.

It is worth examining these arguments in greater detail. It is true that there is a recurrent gap between income and expenditure, but this is always going to the case as legislation demands that this service is not charged at full cost. One of the reasons why the gap stands at about £3 million is because charges for the use of centres have remained unchanged for the past 5 years – something that the Review failed to reveal: if charges had increased by 10% over these years then, in 2014/15 prices, the gap would have been reduced to about £2.7 million. Each year, centres are given targets for income generation, but no information is provided on whether these targets were met, or whether they could have been used more creatively to secure more income.

The discussion about overcapacity presented in the Review is deeply unsatisfactory. For a start, it is superficial, with important information either not presented or inadequately explained. Thus, for example, the Review says it used six English local authorities as comparators to gauge the performance of outdoor centres in N. Ireland – East Anglia, Lancashire, Cornwall, Kent,

Nottinghamshire, North Yorkshire. Just why these areas were selected is not explained: it is not evident why Northern Ireland should be compared with East Anglia, for example. It is reasonable to ask why no area from Wales or Scotland was selected as a comparator. In the event, the actual comparisons made between N. Ireland and the English areas are opaque and lack detail.

The discussion about over-capacity in the Review is confusing and hard-to-follow. For example, on page 33, the Review states that Gold Standard centres in Great Britain have an average residential uptake of between 31% and 50% and that N. Ireland operates comfortably within this range with an occupancy rate of 40%. This would suggest that capacity levels are comfortably in line with the best performing centres in the sector. The Review also acknowledges that multiple barriers stand in the way of centre achieving optimal occupancy rates of over 75 percent.

Yet these observations did not stand in the way of the Review reaching the conclusion that an overcapacity exists of approximately 190 beds in the statutory sector. This claim is central to the case for the closure programme. Just how this figure was derived is not set out anywhere clearly in the Review. There is vague talk of taking into account current demand, seasonal variations in occupancy levels and so on when doing the calculation, but this is a poor substitute for setting out precisely the procedure gone through to reach the number of 190 beds, which it needs stressing is about 42% of total capacity. Farcically, we are told at one point in the Review that it is unrealistic to expect an outdoor centre to achieve optimal occupancy rates of over 75 percent, yet at another point this is a key assumption used in the procedure to derive the figure of 190 excess beds in the system. This is loose practice and brings into question the credibility of the claim that there is overcapacity that equals 190 beds.

Only adding to the confusion is that different occupancy rates are used at different times in the Review. Thus, for example in the table that ranks the 'performance' of the centres only residential occupancy rates for school users are used to derive a ranking for each centre rather than school users and youth group occupancy rates, a measure that is used elsewhere in the Review. In the absence of any explanation as to why narrower occupancy rates was used in the table, suspicion lingers that it was done to influence ranking scores. All in all, the discussion of overcapacity is a hodgepodge of incomplete information presented in a disorganized manner, with opaque arithmetic being carried out on the basis of unrealistic and questionable assumptions. These are hefty criticisms.

## **The Absence of Reasoned Arguments**

But let us suspend these criticisms for a moment and accept the Review's claim that over capacity of 190 beds exists within the outdoor education sector. In terms of competitiveness, this would lead to the situation of outdoor education being delivered to a high quality, but also at too high a cost. One would have expected some type of considered discussion in the Review about how the high quality of the service could be protected while simultaneously seeking ways to reduce costs. Equally, it would be reasonable to have expected the development of alternative scenarios providing different options for reducing costs and maintaining quality. But no discussion of this type occurred. Instead, the Review proposed, without offering reasoned arguments, that 268 beds – not 190 beds - be taken out of the service, 78 more beds than would be required to operate the outdoor education sector at full capacity.

In other words, the Review's proposal is about nothing if it is not about radically reducing capacity. This proposal will lead to substantially fewer young people getting access to outdoor education and recreation than are presently enjoying the service. We estimate that the numbers of young people using the service could fall by up to 40 per cent if the closure programme goes ahead. Thus, what the Review is proposing can only be seen as the extreme option. No effort has been made to take into account the spectacularly high satisfactions level enjoyed by the service. To strip out so much capacity from a service that is performing at a very high level is nothing less than cavalier. Thus even within its own terms, the Review's proposal seems hard to justify.

But now let us go back to our critical stance towards the Review and examine some of its thinking to justify its radical restructuring proposal. The first thing to say is that no integrated analysis is presented to justify its recommendations. Once again points relevant to the decision are scattered incoherently throughout the Review. Even more frustratingly, a number of assumptions run throughout the Review, sometimes only bubbling beneath surface of the analysis, but always highly influential nonetheless. On several occasions, mention is made of the concentration of centres in the South-East of Northern Ireland. Although never stated explicitly, the unwritten assumption that pervades the Report is that the concentration of centres has produced over-supply and over-capacity.

These assumptions need to be examined closely. First of all, it is important to make the obvious point that the concentration of centres in the south east of N. Ireland simply reflects a location effect: the

location of the centres means that the Mourne Mountains can be easily accessed as can the sea and other multiple outdoor facilities that are the product of heavy public investment over the years, Tollymore Forest, Castlewellan Park, Kilbroney Park and so on. Rather than being somehow wasteful, the concentration of centres should be seen as economically beneficial as it facilitates a higher social rate of return on public investment that has been made in the outdoors in N. Ireland: concentration allows a greater number of people use our multiple outdoor facilities than otherwise would be the case. If the recommendations of the review are implemented a direct effect will be to reduce the social rate of return on public investment in our outdoor facilities.

Consider now the argument that concentration leads to oversupply of the same type of activity and thus to overcapacity. A common mistake is to assume that concentration leads to too much specialization in the same type of activity and thus to its oversupply. But frequently this turns out not to be the case in practice. Frequently, concentration and differentiation go together rather than concentration and specialization. In other words, it may seem at a distance that clustered together organizations operating broadly in a similar field are doing the same thing, but actually on closer inspection they are found to operate in distinct niches so that they can differentiate from each other. This is what has been occurring with the education centres, a point that is even highlighted by the Review.

The Review shows that a high level of differentiation exists across the centres not only in terms of the balance between educational/curriculum development and recreation activities, but also in the specific recreational activities that are delivered. Thus, the centres should be seen as delivering to separate niche outdoor educational activities rather than producing oversupply by operating in more or less the same market. As a result, the centres sit cheek-by-jowl providing complementary activities rather than oversupplying the same activities.

Overall, the wider impact of the outdoor education centres being more or less concentrated in the one area is addressed in a partial manner. Completely absent from the Review is any assessment of how the concentration of centres creates an agglomeration effect. One advantage of the centres locating near each other is that they help generate knowledge externalities. Instructors and others who work in the various centre exchange ideas and help each other to deepen their expertise and as a result facilitate the growth of tacit knowledge that is external to any one particular centre, but internal to the area in which they are located. As a result, concentration actually enhances rather than diminishes the

quality of instruction and programmes delivered by the centres. This is an important point as it highlights how the Review's unbridled search for cost savings may have wider disadvantageous effects.

One of the big disadvantageous effects of the closure programme would be to harm on-going tourist efforts to boast N. Ireland as an attractive centre for outdoor activities. For these efforts to reap success, N. Ireland not only has to possess the natural topography, which it does in abundance, it also has to have in place an ensemble of facilities, centres, organizations, activities, some directly tied to the tourist drive, others less so, to build up its reputation as a credible player in outdoor recreation. Just consider the infrastructure in place in Snowdonia, the Lake District and the Cairngorms to sustain the reputation of these areas as premier outdoor pursuits destinations. In other words, areas have to reach a certain minimum efficient scale before gaining a reputation as an outdoor recreation location. The closure programme recommended by the Review will make it more difficult for N. Ireland to reach this threshold as it diminishes the overall level of activity in the sector.