

Finance and Public Administration Committee
32nd Meeting 2024 (Session 6)
Tuesday 19 November 2024

Schools (Residential Outdoor Education) (Scotland) Bill – Financial Memorandum

Purpose

1. The Committee is invited to take evidence in relation to the Financial Memorandum (FM) for the Schools (Residential Outdoor Education) (Scotland) Bill from the Member in charge of the Bill, Liz Smith MSP and Scottish Parliament official Neil Stewart, Senior Clerk, Non-Government Bills Unit.
2. This evidence session will provide an opportunity to review the potential costs associated with the measures introduced by the Bill, as set out in the FM, and to explore the issues raised by stakeholders in written evidence to the Committee.

Background

3. The [Schools \(Residential Outdoor Education\) \(Scotland\) Bill](#) is a Member's Bill introduced by Liz Smith MSP on 20 June 2024. The Bill introduces a requirement that all pupils in state and grant-aided schools are given the chance to experience at least four nights and five days of residential outdoor education during their school career. The Bill does not cover pupils who attend independent schools; however, it states that where local authorities pay the fees of children and young people attending an independent school, they must consider whether the pupil will be provided a residential outdoor education experience. The Bill also provides that the Scottish Ministers must prepare and publish guidance for local authorities and managers of grant-aided schools about their duties to provide residential outdoor education under the Bill.
4. Prior to introducing the Bill, the Member ran a consultation on the draft proposal from 28 April 2022 to 22 July 2022, which received 539 responses (64 from organisations). According to the [Policy Memorandum](#), "of all respondents, 85% indicated that they were fully supportive of the proposal, and 10% indicated partial support. 4% recorded opposition (2% were fully opposed, and 2% were partially opposed). Of those who were opposed, the reasons given included the level of resources available to give effect to it, the potential impact of the proposal on staff, staff time and the concomitant impact on face-to-face teaching, and the impact on other extra-curricular activities, such as music and language trips".
5. A SPICe briefing on the Bill has been published and is available on the Parliament's [website](#).
6. The Education, Children and Young People (ECYP) Committee is the lead Committee for Stage 1 consideration of the Bill. The ECYP Committee ran a call

for views on the general principles of the Bill, which received 271 [responses](#), and took oral evidence from stakeholders at meetings on [6 and 13 November](#).

7. The Member in charge wrote to this Committee on 13 November, highlighting points raised by respondents to both this and the lead Committee, in relation to projected costs in the FM, and “the methodology and the available data used in assessing, for example: provision for pupils with additional support needs; staffing costs, transport and ancillary costs; and the impact of inflation on the cost of residential outdoor education”. The letter is attached at Annexe A.
8. The Scottish Government submitted a [Memorandum](#) to the lead Committee, stating that “the Scottish Government remains neutral at this time concerning passage of the Bill”. The Memorandum notes the positive aims of the Bill and also highlights existing Scottish Government commitments to improving outdoor learning provision. The Memorandum further highlights a number of reservations, particularly in relation to—
 - “Legislating in the curriculum;
 - A narrow focus on only one type of outdoor learning; and
 - Resource implications (feasibility and affordability).”
9. The Scottish Government’s Memorandum further states that “the financial implications of the Bill on public finances are significant and unaffordable, as currently drafted, and put into question whether the intentions of the Bill are realistically deliverable”.

Financial Memorandum

10. [Rule 9.3 of Standing Orders](#) states in relation to Financial Memorandums that—

“2.A Bill must on introduction be accompanied by a Financial Memorandum which sets out best estimates of the costs, savings, and changes to revenues to which the provisions of the Bill would give rise, and an indication of the margins of uncertainty in such estimates. The Financial Memorandum must also include best estimates of the timescales over which such costs, savings, and changes to revenues would be expected to arise. The Financial Memorandum must distinguish separately such costs, savings, and changes to revenues that would fall upon—

- the Scottish Administration;
 - local authorities; and
 - other bodies, individuals and businesses.
11. The [Financial Memorandum](#) (FM) for the Bill estimates total costs falling onto the Scottish Administration to range from—
 - £20,420,230 to £33,886,718, with a median estimate of £27,153,474 in year 1,

- £21,001,200 to £35,219,600 (with a median estimate of £28,110,400) in year 2 and
- £20,417,712 to £33,886,718 (with a median estimate of £27,149,000) in year 3 and beyond.

12. This is based on an assumption that, if the provisions of the Bill come into force, around 60,000 pupils from P6 to S4 will receive residential outdoor education each year, “representing around one-sixth of the total cohort and the equivalent of one full school year”. The FM notes that “there will be some variation on this figure, some pupils may receive their course of residential outdoor education as early as P6, whilst others may wait until S4, and some may have their course of residential outdoor education aggregated”. In addition, the number of pupils taking part (60,000) may also fluctuate from year to year – “there may be increased demand in the early years of the Bill’s provisions coming into force, and it is not a requirement for the pupil to take up the opportunity to receive one week’s residential outdoor education”. The FM therefore provides lower and upper ranges of 55,000 and 65,000 pupils to receive residential outdoor education in any given year.

13. The cost of attending outdoor education centres, excluding travel to and from the outdoor centre, are estimated to be in the region of £300 to £400 per week per primary school pupil, and from £400 to £600 for a secondary school pupil. The FM notes that transportation costs will vary considerably, depending on a number of factors, including:

- Number of pupils travelling from each school;
- Method of transportation (coaches, minibuses, train, ferries etc);
- Distance travelled;
- Journey time;
- Specific accessibility requirements;
- Whether the school has its own vehicle (in which case costs would be significantly lower, covering only fuel).

14. The FM assumes that the majority of the school parties will be transported by coaches, which would require to be hired with a driver, over two days to account for travel to and from the location. Costs are therefore expected to range from £308 to £420 (seven hours hire each day), with a median figure (based on 16- and 29-seater coaches) of £364 per hire (£26 x 14 hours).

15. The FM states that, for the schools that currently undertake residential outdoor education, there will be no additional staff costs as a result of this Bill. Costs for implementation will vary at schools where there are currently no opportunities for residential outdoor education, or the offering is below the threshold of four nights and five days. The FM does not explicitly project figures or costings for overall staff provision.

16. Minimal costs are anticipated for the production of guidance.

17. Tables 5, 6 and 7 of the FM, reproduced below, provide an overview of total costs in year 1, year 2, and year 3 and beyond.

Total year 1 costs	Low estimate	Median estimate	High estimate
Cost of pupils attending residential outdoor education	£19,250,000	£25,875,000	£32,500,000
Transport costs	£1,167,712	£1,274,000	£1,380,288
Costs of producing guidance	£2,518	£4,474	£6,430
Total year 1 costs	£20,420,230	£27,153,474	£33,886,718

Total year 2 costs	Low estimate	Median estimate	High estimate
Cost of pupils attending residential outdoor education	£19,800,000	£26,800,000	£33,800,000
Transport costs	£1,201,200	£1,310,400	£1,419,600
Costs of producing guidance	£0	£0	£0
Total year 2 costs	£21,001,200	£28,110,400	£35,219,600

Total year 3 and beyond costs	Low estimate	Median estimate	High estimate
Cost of pupils attending residential outdoor education	£19,250,000	£25,875,000	£32,500,000
Transport costs	£1,167,712	£1,274,000	£1,380,288
Costs of producing guidance	£0	£0	£6,430
Total year 3 and beyond costs	£20,417,712	£27,149,000	£33,886,718

18. The Bill specifies that funding of residential outdoor education for school pupils will be provided by Scottish Ministers, with no additional costs falling on local authorities. The Bill does not provide for any element of parental contribution towards this cost, with the FM noting that “Whilst the Member is sympathetic to the principle of parents who can afford to pay being able to contribute towards their child’s residential outdoor education, she is concerned that, unless there is a requirement for the Scottish Ministers to fund residential outdoor education, then there is a risk that the families of children who are experiencing poverty might be required to contribute to ensure their children receive one course of residential outdoor education.” The FM further states that placing responsibility for funding for the provision of residential outdoor education on the Scottish Government ensures blanket provision and improves equity of access regardless of household income, ensuring that “the number of places for residential outdoor education across Scotland begins to grow and is reinstated to the previously much higher levels that used to be enjoyed”.
19. In relation to savings arising from the Bill’s provisions, “Whilst this [Financial] Memorandum does not put a figure on this, the Member considers that in the long-term the societal benefits may result in financial savings to the public purse, such as through reduced burden on the NHS resulting from people developing healthier lifestyles and fewer young people going through the criminal justice

system due to positive, formative experiences during residential outdoor education.”

20. The Scottish Government’s Memorandum states that the cost range included in the FM “underestimates the cost of the Bill provision [...] because staff costs in secondary schools are not modelled, inflation has not been accounted for and there is no modelling of additional costs to accommodate ASN [Additional Support Needs] pupils”, adding that “there is potential that the transport and guidance costs are an underestimate”. Scottish Government economists produced a revised estimate of the costs, taking into account staff costs in secondary schools and inflation. This produced “a central estimate of £32.2m, and a potential cost range of £24.3m – £40.6m for rollout in 2025/26”.

21. The Presiding Officer has indicated that a financial resolution under Rule 9.12 of the Parliament’s Standing Orders is required for the Bill.

Written submissions received on the FM

22. The Finance and Public Administration Committee ran a call for views on the FM from 3 July to 4 September 2024 and received 9 responses, which are available on [Citizen Space](#). The responses received suggest that the FM underestimates some of the costs associated with the provisions of the Bill, particularly in relation to staff, potential increases in the costs charged by outdoor education centres, transport, and costs associated with supporting pupils with additional support needs.

23. Potential underestimates are summarised in COSLA’s submission as follows—

- “the necessary changes to contractual terms and conditions for staff and the associated administrative burden and potential for increased salary costs in relation to making this a mandatory obligation, as well as additional staffing resource required;
- the cost pressures resulting from increased demand and need for additional capacity in relation to centres;
- the impact that inflation, demand and the location of schools and centres will have on overall transportation costs;
- the additional costs that would need to be met to allow children and young people with ASN to benefit from residential outdoor education; and
- the ancillary costs we have outlined, such as food, clothing, training and insurance”.

24. Submissions received also highlight that, currently, teaching staff support such trips on a voluntary basis, and the FM does not take into account potential overtime payments for staff. Dumfries and Galloway Council note that the FM presumes the “goodwill of staff”, while the Association of Directors of Education Scotland (ADES) notes that Paragraph 40 of the FM, which states that “Any children unable to attend the visit would require supervision and lessons to be set in the absence of the teacher ... is incorrect”. ADES add that “any young person requires education, not supervision, this must be with a General

Teaching Council for Scotland (GTCS) registered post holder, this is a genuine cost to the excursion”.

25. Written submissions further note potential increases in the costs charged by outdoor centres, “in light of this increase in demand, particularly where there is a need to expand facilities, hire additional staff, replace equipment more often due to wear and tear, and ensure compliance with additional standards that may be set out”¹. NatureScot notes that the statement in the FM that “There may be some cost implications for outdoor centres of updating their centres to comply with additional standards that may be set out in guidance issued by the Scottish Ministers under the Bill” may be understating the potential costs.
26. In relation to transport costs, Perth and Kinross Council state that “the assumptions made regarding potential numbers of participants and sizes of vehicles does not reflect the reality of current pupil numbers attending residential trips and vehicle sizes”. Comhairle nan Eilean Siar and Shetland Islands Council highlight additional travel costs for overnight accommodation and ferry charges.
27. Councils further note that pupils who have complex needs will require additional support staff and suitable transport, which will impact on overall costs.
28. Other costs identified by stakeholders relate to food, clothing and equipment, as well as administrative costs and potential impacts on small rural schools (“single teacher schools could be left without any management in place which would require to be backfilled”²).
29. Lastly, COSLA states that, if introduced, “the duty [...] must therefore be accompanied by a regular review cycle on the costs of delivery, ensuring that any changes to demand and costs are understood and fully funded”. Similarly, ADES’ submission notes that “confirmation is sought regarding the need to undertake an annual review to ensure the costs assumed in any funding formulae are still relative, and take account of provider rates changing, particularly linked to supply and demand”.

Next steps

30. Following consideration of the evidence received, the Committee will consider any next steps it wishes to take in relation to the FM.

Committee Clerking Team
November 2024

¹ COSLA submission

² Perth and Kinross Council submission

Letter from Liz Smith MSP, Member in Charge of the Bill, to the Convener of 13 November 2024

Dear Kenneth

Schools (Residential Outdoor Education) (Scotland) Bill – Finance and Public Administration Committee scrutiny of Financial Memorandum

Thank you for inviting me to give evidence to the Finance and Public Administration Committee on Tuesday 19 November on the Financial Memorandum accompanying my Schools (Residential Outdoor Education) (Scotland) Bill. I look forward to attending this session, and discussing these matters with the committee. I will be accompanied by Neil Stewart, Senior Clerk in the Non-Government Bills Unit.

As you know, I am acutely aware of the important work that the committee does in relation to its scrutiny of Financial Memoranda. In this respect, it has been helpful for me to consider the submissions the committee has received, along with the evidence currently being taken by the Education, Children and Young People Committee. I am grateful for the time respondents have taken to consider my Bill and to engage with both committees.

As you will be aware, a few respondents have raised points in relation to projected costs in the Financial Memorandum accompanying my Bill which seeks to establish a reasonable range of best estimate costs based on the available data. I appreciate a number of stakeholders have commented where they consider the FM has underestimated particular costs and I look forward to discussing this matter with the Committee.

In this regard, I am aware the Committee may well seek to explore the methodology and the available data used in assessing, for example: provision for pupils with additional support needs; staffing costs, transport and ancillary costs; and the impact of inflation on the cost of residential outdoor education. I will be happy to discuss all these aspects as well as my suggestions for ensuring the Bill can be adequately funded.

I look forward to discussing these matters further on Tuesday 19 November.

Yours sincerely

Liz Smith CBE MSP