

Department of Corporate and Community Services

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Date: 5 June 2020

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TO: Councillors T Buchanan (Chair); S Miller and P O’Kane.

EMERGENCIES COMMITTEE

A meeting of the Emergencies Committee will be held on **Thursday 11 June 2020 at 2.00pm.**

The agenda of business is as shown below.

Caroline Innes

C INNES

DEPUTY CHIEF EXECUTIVE

AGENDA

1. Report apologies for absence.
2. Declarations of Interest.
3. Remit: Education Committee: School Excursions Impacted by COVID-19 Pandemic – Report by Director of Education (copy attached, pages 3 - 8).

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EAST RENFREWSHIRE COUNCILEDUCATION COMMITTEE11 June 2020Report by Director of EducationSCHOOL EXCURSIONS IMPACTED BY COVID-19 PANDEMIC**PURPOSE OF THE REPORT**

1. The purpose of this report is to apprise elected members of the impact of the COVID-19 pandemic on school excursions and refunds to parents/carers from travel providers and/or the settlement of insurance claims.

RECOMMENDATIONS

2. Elected members are asked to:
- a) note and comment on the impact of COVID-19 on school excursions and refunds for parents;
 - b) endorse the proposal by the department to action full refunds to parents/carers for all school excursions cancelled as a result of the COVID-19 pandemic; and
 - c) remit the proposal to the Emergencies Committee for a decision on the financial aspects.

BACKGROUND

3. Children and young people within East Renfrewshire benefit from a wide range of school excursions/trips both within the UK and further afield to Europe/worldwide.

4. As well as the closure of all educational establishments, other than the Hub school provision for the most vulnerable pupils and children of key workers, the Scottish Government also advised that all school excursions should be postponed indefinitely from 20 March 2020 as a result of the COVID-19 pandemic.

5. Lockdown measures have necessarily meant all excursions planned between 20 March 2020 and the end of the academic session in June 2020 have effectively been cancelled. Indeed, given the expected ongoing restrictions around physical distancing and non-essential travel it is unclear when any school excursions/trips will be able to go ahead over the summer and during the forthcoming school session.

6. Given the various dates of travel of individual school excursions planned over the March-June period, all were at different stages in the payment process at the point of lockdown both in terms of payments made by parents/carers to ERC and also deposits/instalments paid out by ERC to travel providers. In addition, given the complexities of varying contractual terms and conditions and the understandable financial difficulties the travel industry now faces, it will take some time to finalise either full refunds from travel providers or the settlement of any necessary insurance claims.

7. A number of parents/carers have contacted schools requesting reimbursement of funds for cancelled excursions and/or for those excursions currently still planned but without confirmation that they will proceed since this depends on the situation nearer the time.

8. This report sets out a process for ensuring parent/carers can be refunded in full for any excursions cancelled as a result of the pandemic thus ensuring they are not financially disadvantaged by any lengthy delays at this time when many more families may be experiencing a degree of financial hardship due to the wider impacts of the COVID-19 restrictions. At the same time it is recognised that any financial risk to the council must be minimised.

REPORT

9. At the point of lockdown on 20 March 2020, there were 45 school excursions planned between then and the end of term in June 2020. A further 23 excursions are planned for academic year 2020/21. For those excursions scheduled to take place before the end of June 2020 approximately £365k has been collected from parents/carers by way of deposits/instalments towards the total cost of these excursions payable and approximately £218k (60%) of this total has been paid over to travel providers.

10. The cost to parents/carers for each excursion varies significantly with the overall financial impact obviously higher for families with a number of children scheduled to participate in an excursion over the lockdown period. For example, a P7 residential excursion could cost up to £350 per pupil whereas excursions within the secondary sector can cost up to £2,500 per pupil. Not surprisingly therefore, parents/carers are keen to know when payments they have made to date will be refunded.

11. The issuing of any refunds to parents/carers even for funds not yet paid to travel providers can only be actioned after careful checking of contractual terms and conditions with travel providers as in some cases failure to pay instalments by originally agreed dates may be deemed as the school/ERC cancelling the excursion and therefore cancellation penalties could apply.

Insurance Cover

12. All school excursions are covered by a blanket ERC school travel insurance policy. This policy provides cover of up to £5,000 per person up to a limit of £50,000 per trip. The advice from the council's insurers is that the cancellation of such excursions, as a result of government advice against all but essential travel, would be a valid trigger for an insurance claim and there is no policy excess meaning full costs can be recovered. However the following conditions need to be met and evidenced before submitting a claim :-

Only irrecoverable costs are covered by the insurance policy and schools will need to evidence that they have explored all avenues for obtaining a refund from the travel providers when submitting a claim.

13. Whether or not schools are entitled to a refund from the travel provider will depend on the terms and conditions of the contract for each trip. If the terms of the contract do not make the provider legally obliged to provide a refund then, all things being equal, it should be possible to add these costs to the insurance claim.

14. Given the potential complexities of this issue, professional advice is being provided both by the council's insurance officer and legal services.

15. In terms of timescales, the insurance officer advises that travel claims are normally settled within 1 month. However, given the likely scale of wider travel claims being submitted to all insurance companies it is expected that claims will take significantly longer to process.

Travel Providers Response

16. The difficulties experienced by travel companies as a result of the pandemic are well documented. In terms of responses so far from those companies involved in providing school excursions for ERC schools, the following are examples of options offered to schools :-

- Full refunds agreed but unable to process until end of July 2020 at the earliest.
- Facility to transfer deposits paid to future excursion.
- ABTA protected credit note given which can be redeemed in full if unable to re-schedule the excursion by say January 2021.

17. Given the ongoing uncertainty of when school excursions will be able take place, as well as the fact that many are targeted at specific year groups, the option to agree to some form of credit against future trips is not advisable. It must also be borne in mind that ultimately the funds involved have been received from parents/carers and the priority for ERC must be to seek to maximise the refunds to them at the earliest opportunity.

Proposals for Managing Refunds

18. As noted above there are likely be significant delays in ERC receiving refunds/insurance settlements initially for all 45 excursions impacted by the pandemic between late March and June 2020. The following process would allow parents/carers to be reimbursed as soon as possible whilst minimising the financial risk to ERC. For each excursion :-

- If no payments have been made to date, confirm that there are no contractual obligations around cancellation which could lead to a financial liability at a later date. Subject to such confirmation, verified if necessary by legal services, a full refund can be provided to parents/carers.
- If confirmation of a full refund at a later date has been received from the supplier, a full refund can be made to parents/carers pending ERC receiving funds back from the supplier.
- If sufficient evidence has been received from the supplier, indicating reasons as to why a full refund cannot be provided, thus allowing an insurance claim to be submitted, a full refund can be made to parents/carers. An insurance checklist has been provided to school Business Support Managers to ensure all necessary documentation is collated before submitting a claim. Refunds to parents/carers in these circumstance would only be approved once the council's insurance officer has confirmed satisfactory documentation has been provided by the relevant school.

19. Monies received from parents/carers for school excursions are collected via the ParentPay system so a full audit trail is available. The risk associated with this approach is also documented in appropriate risk registers.

20. An alternative option to that documented above would be to only refund amounts held by ERC at this time, with further refunds made to parents/carers as and when either supplier

refunds are received by ERC or insurance claims settled. Whilst this would ensure there is no financial risk to the council, it would undoubtedly financially disadvantage parents/carers at an already challenging time for many.

FINANCE AND EFFICIENCY IMPLICATIONS

21. The balance held overall by ERC for school excursions/events at 31 March 2020 was £495,277. This represents funds collected from parents/carers for all school excursions as well as other school activities/events, including those excursions referred to in paragraph 9 that were scheduled to take place before the end of the current school year. Whilst there will have been some movement in this balance since then the current net position continues to be a credit balance.

22. In terms of cashflow therefore, any decision to refund parents in full pending the settlement of insurance claims/refunds from travel providers is not anticipated to result in an overall deficit on this account. As already noted, some providers have indicated that refunds will be processed in July and a number of insurance claims are already being prepared.

23. The proposals for managing refunds set out in paragraphs 17-18, seek to minimise the financial risk to the council by ensuring no refunds are processed until the appropriate actions have been completed.

CONCLUSION

24. Government action to address the COVID-19 pandemic has led to all school excursions scheduled over the period late March to the end of the school session in June 2020 being cancelled. Uncertainty remains regarding the possibility of any excursions planned for school session 2020/21 will be able to go ahead.

25. For many families the costs already paid to ERC for these excursions will be significant and many have made enquiries about when they will be refunded. Any prolonged delay in refunding will be particularly difficult for those families already experiencing financial hardship due to the negative economic impact of COVID-19.

26. Proposals to manage refunds set out in this report seek to balance the timeous processing of refunds to parents/carers whilst minimising any financial risk to the council.

RECOMMENDATIONS

27. Elected members are asked to:

- a) note and comment on the impact of COVID-19 on school excursions and refunds for parents;
- b) endorse the proposal by the department to action full refunds to parents/carers for all school excursions cancelled as a result of the COVID-19 pandemic; and
- c) remit the proposal to the Emergencies Committee for a decision on the financial aspects.

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