

Agenda Item	9.
Report No	RES/21/20

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 12 August 2020

Report Title: Covid 19 and School Trip Refunds

Report By: Executive Chief Officer Education and Learning

1. Purpose/Executive Summary

- 1.1 Covid-19 resulted in the cancellation or postponement of a number of school trips across Highland Schools. In circumstances where the school has not been able to reschedule the trip, or get a refund or insurance payout in full, there are situations where parents are as a result faced with no trip and lost payment towards the trip.
- 1.2 This report recommends that the Council takes steps to ensure refunds to parents, recommends the funding sources for these costs, and in turn set out further actions to be taken regarding further pursuing options to increase the recovery of costs from providers and insurers.

2. Recommendations

- 2.1 Members are asked to:
 - i. Note the steps taken by the Council and its schools to manage the impact of school trip cancellations, and in turn minimise the costs arising by seeking to reschedule trips, or receive refunds or insurance payouts, where appropriate.
 - ii. Agree that the Council takes steps to refund parents in the situations as described within the report, where no other source of refund is available, and to avoid any financial loss or hardship on parents as a result.
 - iii. Agree that the Council utilises the financial hardship fund, as the funding source for the refunds to parents.

- iv. Note the further actions as set out within the report, regarding recovery and other actions to try and recover any further sums possible from providers via refund, or from insurers.

3. Implications

- 3.1 Resource – as highlighted within this report there are costs estimated to be in the region of £290,000, which are exceptional costs and not costs ordinarily budgeted for. The paper sets out a proposal for a funding source for these costs. As noted within the paper, there would be actions taken to take steps to try and recover some of these costs, through further pursuing refunds from providers or payment from insurers.
- 3.2 Legal – the Council could be open to legal challenge if refunds were not provided.
- 3.3 Community (Equality, Poverty and Rural) – the report highlights that there are families who have not to date received a refund for trips cancelled as a result of Covid-19. Families have expectations regarding a refund from the Council, and in turn there may be financial hardship issues. There are also equality considerations insofar as some families have received refunds, e.g. where a refund from provider has been made, whereas others have not, if no refund or insurance payout has been forthcoming to date.
- 3.4 Climate Change / Carbon Clever – nothing to highlight.
- 3.5 Risk – as noted within the paper, there is the risk that costs may be higher if any further trips are identified in light of additional information coming forward from schools. It may also be the case that costs reduce through mitigating actions, and scope for further refund or insurance payout.
- 3.6 Gaelic – nothing to highlight.

4. Background

- 4.1 From information gathered from Highland schools to date, prior to the end of summer term, there were 74 schools and 88 trips which were impacted as a result of Covid-19. While for a number of these trips, the school were able to arrange a refund, or rescheduling, a significant number were in a position where this was not possible, or was the subject of ongoing discussion with providers and insurers.
- 4.2 For those where a full refund or insurance pay-out was not being provided, or had not as yet been agreed, this left the situation where young people and parents were not able to proceed on their trip, and in turn had received no refund with regard to the payments made.
- 4.3 At the time of writing, the estimated cost of providing refunds to the 66 trips identified by schools was £290,000. It should be noted that there is the potential for this sum to rise, as further information or further trips are notified as schools return in August.
- 4.4 It is however also the case that this sum of £290,000 includes trips where schools are either still in dialogue, or sometimes dispute regarding provider refunds or insurance payouts, or in turn the Council may nonetheless consider that further action can and should be taken, to support schools to press for recovery of monies from these parties. This could mitigate and reduce the potential costs.

- 4.5 The main issue for the Council to consider is that pending any further actions to be taken, or outcomes that may be achieved, parents in many situations have not been refunded, and have an expectation that this will be done and that the Council and its schools as the organiser of such trips, would facilitate this. Therefore this paper has been prepared on the basis that the Council takes the lead on providing such refunds, as trip organiser, and the cost and risk of further pursuing providers and insurers rests with the Council. Parents in many cases have already had some weeks or months of uncertainty, and it would not be reasonable for this to continue, nor that parents should have any doubt over whether refunds will be forthcoming.
- 4.6 School trips are ordinarily co-ordinated through school funds, with parents typically meeting the full cost of trips, or perhaps school fundraising or donations contributing towards costs. The Council makes no budget provision for trips, and would not ordinarily expect that Council budgets have a role in school trip funding. As such there is no pre-existing budget or precedent for the Council providing for refunds to parents. This is however an exceptional issue as a result of Covid-19, and for the reasons set out above it is appropriate for the Council to take the lead role as trip organiser, and to avoid financial impact and hardship on families.
- 4.7 In the absence of any budget from which this exceptional cost could be met, it is proposed within this paper that the Council's Hardship Fund is an appropriate source from which these refunds could be provided. As noted above, the final cost is not yet known and there is the risk costs could be higher, albeit the opportunity also for further recovery to reduce the ultimate costs met.

5. Further Actions

- 5.1 As outlined above, there are further actions the Council should take, to work with and support schools to further pursue trip providers and insurers, to secure better outcomes whether that be re-scheduling, trip credits, refunds or insurance pay-outs, depending on circumstances.
- 5.2 A 'task group' approach will be taken, with a central team drawing from Education, Finance, Legal and Insurance officers, to take a targeted approach to reduce the level of net cost to the Council of refunds. Where necessary this would take an approach across schools where there was a common provider or insurer, and with a focus on those trips of highest cost, and greater opportunity. Ongoing liaison with Local Authority networks, Cosla and Scottish Government would continue regarding any further lessons to be learned or best practice elsewhere.
- 5.3 It is evident from the information provided to date that the insurance arrangements in place for trips vary, with opportunities for guidance and practice to be improved. A review of existing guidance and practice will take place, and further guidance developed for schools regarding insurance arrangements.
- 5.4 Regarding trips more generally, the Council expects further clarity from Scottish Government on future trips, as part of schools return advice and guidance. This will be assessed and further reflection on the advice this Council issues to schools regarding future trips. While in light of Covid-19 it is likely schools will take a more cautious approach to trips, certainly for the coming months, they do remain an important feature of school life, and looking beyond the current situation the Council will need to ensure that there remains robust and risk managed processes in place as part of school trip planning.

Designation: Executive Chief Officer Education and Learning

Date: 20 July 2020

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Background Papers: