

A wider understanding across the educational visits sector – A response to the health emergency

Impact of the of the health emergency on the educational visits sector has been both sudden and dramatic with many far reaching and unintended consequences.

The first area to be impacted were overseas visits, initially to China and the Far East but these were followed both during and immediately after February half-term as schools returned from areas that were becoming infected with the coronavirus within Europe. These areas gradually fell under ever extending and tightening travel restrictions by the FCO.

By March, these foreign travel restrictions were being rapidly overtaken by restrictions within the UK and the eventual lockdown on 23rd March. This has meant that from then, schools have been closed to all, but essential workers and educational visits have not been able to take place. Currently both the FCO and advice and DfE advice state that this position will remain for an indefinite period.

Educational Visit Cancellations

In the light of the guidance from government regarding travel and social distancing along with additional guidance for accommodation providers, both residential and domestic educational visits were advised against by the DfE and FCO. This advice has since been notified as being for an indefinite period, following earlier review dates.

Issues

As soon as it became clear that educational visits could no longer take place, as a result of government guidance then both schools and providers were placed in a position where bay visits had to be cancelled. As a result of this a range of issues have emerged that have caused immense challenges for both schools and providers.

Schools:

Schools found themselves in a situation whereby they felt they should cancel visits due to government guidance, staffing issues and pressure from parents. The uncertainty focused on how far in advance cancellations should be made.

It has been clear from both the schools and providers that cancellations should be made over this period as neither can fulfil obligations. However, the advice from DfE and the FCO was updated to say that such visits could not take place for an indefinite period. We now come to the crux of one of the key issues – for how long into the future can visits be realistically cancelled as a result of government guidance and when could educational visits begin to take place again?

This has caused a real challenge for both schools and providers.

Providers:

Providers have been unable to operate during lockdown following school cancellations and closures, plus the implications of social distancing. Given that providers are seasonal organisations, the income in Quarters 2 and 3 is fundamental to their survival, covering the shortfall between October and March which are often run at cost or at a loss. The timing of the outbreak and the necessary lockdown measures have therefore put huge pressure on many despite government attempts to support business over this period.

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With their income drying up for an unknown period but with Q2 2021 as the next possible period of sustainable income, uncertainty remains about how quickly school visits will resume.

Meanwhile, they have found themselves under pressure to return funds (deposits and staged pre-payments) due to inconsistent and unclear approaches and advice from insurers. Some providers have been able to do this while others have returned all but 'non-returnable' deposits. There have also been a number who have continued to follow through on their own Terms and Conditions and continue to ask for payments for visits that 'might' be able to take place depending on how the Lockdown is eased.

A shared issue for both providers and schools, who are under pressure to continue paying, is not knowing the extent to which social distancing and travel restrictions may be lifted and when this might be. On the one hand, providers are struggling to ensure their businesses can start up again while on the other hand schools are uncertain if they will be able to go. Both providers and schools remain unsure about what circumstances and operating requirements will need to be met if they can. Certainly, providers depend on volume to be viable, so operating at half capacity with reduced bookings may not be a solution for all. Schools, meanwhile, also face the issue of how willing parents will be to send their children and how confident or able staff will be to accompany them.

There has been a huge range of responses from both providers and schools dependent on their circumstances and how they operate, which has not helped in terms of developing any consistent approach to the issue of managing cancellations.

Terms and Conditions

In having to deal with visits that may or not go-ahead, providers are varying degrees of implementing their terms and conditions and in the absence of a consistent approach from insurers. Where schools are having to cancel a visit, they would normally expect to comply with the cancellation provision within the terms and conditions of the booking. Due to the exceptional circumstances emanating from this health emergency such a cancellation is not as a result of anything the school could have done about it. Hence the ability, for some, to be able to claim on insurance. However, even though an insurance claim is possible, for many the terms and conditions may be such that either payments continue to be paid up until the moment of travel or the visit is cancelled and cancellation payments are charged by the provider.

To continue paying for a visit that may not go ahead in these present circumstances will be a real challenge for many parents in relation to the actual cost and caring for their children. This has caused schools a massive challenge and they feel caught in an impossible situation. Some providers have helped by returning funds or providing alternative dates for visits, although for a number of reasons schools may not be able to always take advantage of this offer and providers will be limited in their ability to meet everyone's needs. There has been some evidence of 'credit notes' being available, while others have continued to press ahead with the visit process and collect payments from schools.

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Work carried out by Outdoor Education Advisers' Panel Wales has indicated that schools were owed £3 million for visits that can't take place, this was a figure obtained from just a quarter of all Welsh schools.

Are Visit Providers Open?

The question from some schools, LAs and Trusts has been to challenge providers about their ability to be able to deliver the visit effectively or at all given the current Government guidance and the lack of an end date to the guidance. This in the mind of many raises the issue of who is/should be cancelling. Where providers have made the decision that they cannot open and have returned money this has made the situation very clear to the benefit of all. Where schools have cancelled due to government travel advice and their insurance has covered them, this has also provided useful clarity. The key areas of concern have arisen around where there have been divergent views/interpretations of the current situation and the nature of the guidance. This has not helped in terms of effectively and fairly dealing with cancellations and refunds.

Survival of Educational Visits provision

Into the future, the inevitable outcome of the current health emergency is that a number of providers will not be able to survive this current situation. Due to the range of provision the impact will vary across the sector and focuses on how those organisations manage cash flow. For larger providers the pressure to minimise the financial impact will come from levels of debt or external investors who will need to make decisions regarding the financial viability of servicing debt and return on investment. If they cannot recoup funds themselves from visits that are cancelled they may struggle to survive. The same outcome faces many of the smaller private and charitable run provision who are on a very fine line between staying open and closing and will often have little in terms of reserves to carry them through. Although some Local Authority provision may be able to cushion themselves in the short run the continued pressure on LA funding may quickly come to focus on such provision, especially as it is often required to deliver on an income budget line.

Work carried out by the OEAP has indicated that residential education visit providers could lose in excess of £130million over between April and the end of July. This is a significant loss and will have an adverse impact on future provision.

Insurance

Domestic Visits

As some of the issues regarding cancellations began to emerge the question of insurance was raised. The DfE made a statement stating that insurance policies could be drawn on to support schools whereby they could not recover funds any other way. There has also been a call from both the Association of British Insurers and the Financial Conduct Authority for insurance companies to be reasonable when dealing with claims. As with providers, there have ended up being a range of responses from insurance companies regarding any claims that can be made relating to visit cancellations. Some have been happy to put such cancellations through their claims process, while others have not compounding an inconsistent approach across the sector.

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Overseas Visits

Where visits have been arranged under the Travel Package Regulations the situation has been a little more straight forward but not without its challenges. The TPR are clearer about how and when refunds are available, although companies can leave the decision on whether a visit is unable to go ahead until quite late in the day. This, again, highlighted the issue of how far in advance a visit can be cancelled in the light of indefinite restriction on travel by the FCO. This may have meant that visits would need to be paid for up until just before the visit, however, monies would be recoverable.

The other compounding factor for both providers and schools has been the recovery of funds and the challenges that providers have had in obtaining refunds from both airlines, ferry companies and accommodation providers, for example.

Schools

For many schools they will have had some insurance cover for visits overseas, either through the LA, the provider or directly with an Insurance company or the RPA (Risk Protection Assurance) scheme. However, the point must be made that not all schools will have had cover for domestic visits. It is probably fair to say that some providers, following DfE and ABI advice, felt that they could continue to follow through on their terms and conditions thinking that all schools and, therefore, parents could recoup any payments made through insurance. This is not necessarily the case. It is also worth saying that many school budgets are incredibly tight and they would not all have the flexibility to refund parents ahead of insurance claims or any monies recovered from providers, especially where multiple year groups on multiple trips are concerned. The burden in these situations would fall squarely on the shoulders of parents, which neither providers nor schools want.

Ways Forward

The value of the relationship hitherto between schools and providers cannot be understated. Many thousands of children each year benefit from well-regulated, safe access to challenging and rewarding experiences that enrich their education and broaden their horizons. Yet the current levels of uncertainty around “who pays,” “how do trips resume” and “when?” is a crisis that risks damaging some of those relationships. Either this is an opportunity for government to provide clarity, direction and funding that seeks to protect providers, schools and parents as equal partners in underpinning the value of residential trips or it is a watershed moment that in the future will be viewed as a collective failure. We recommend that providers and schools alike try their best to engage with each other in a way that shows understanding of the difficulties each other is facing and which reflects the value of such long-standing relationships. We request that providers and schools alike try hard to seek various ways of resolving issues in a way that is considered, measured and aims to find common ground. We encourage the government to intervene and provide support, relief and confidence to all concerned in the undoubtedly difficult conversations to be had.

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