

NORTH YORKSHIRE COUNTY COUNCIL

EXECUTIVE

13th December 2022

Welburn Hall

Report of the Corporate Director for Children and Young People's Services

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide a brief overview of the building challenges in relation to Welburn Hall Special school, to seek approval for a set of initial decisions in relation to the school (in light of the major challenges that have been identified), and discuss the longer-term strategic plans and investment decisions that will need to be developed and routed back through the Executive in Spring 2023.

2.0 EXECUTIVE SUMMARY

- 2.1 Following a number of breakdowns in the heating system at the school, detailed technical assessments were undertaken in Summer 2022 that identified a range of major deficiencies in the Heating and Drainage systems at the school. The systems face a major risk of serious failure, with the risk that the school operation could be impacted at any point in time, and the challenge that this risk will continue to grow the longer that remedial works are deferred.
- 2.2 It has been necessary, therefore, to assess what the most effective long-term investment strategy to support the school to continue to operate and deliver high quality outcomes for its pupil population.
- 2.3 However, this report is proposing that it is prudent to work on a planning assumption that the House building at the school will be out of operation for two years from September 2023, and to develop a set of proposals that prepare for that scenario, permitting appropriate engagement and consultation with families, school leadership and governing body, and the staff cohort at the school. This is the rationale behind the specific set of recommendations in this report.

3.0 KEY BACKGROUND INFORMATION

- 3.1 As set out above, detailed technical assessments have identified significant deficiencies in the heating and drainage system at the school. The technical assessment is attached as Appendix 2.
- 3.2 Two significant buildings issues to flag at this stage are (a) our working assumption is that the main school building (*1) can remain operative during any period of planned works (but this assumption will need to be continuously reviewed) and (b) costings for full programme of works to fully replace the heating and drainage systems are estimated to cost in the region of £4 to £5 million.

*1 the buildings configuration at Welburn Hall is complicated but principally the "Main Hall Building (or House)" is the base for residential provision, school office and reception, dining and kitchen and some residential facilities. The building is Grade 2 listed and the original parts of the building date back to the 17th century. The bulk of classroom / curricular

delivery takes place in a set of classrooms in a converted Stables block – which for the purposes of this report is referred to as the “main school building”

- 3.3 The school has experienced an increase in its pupil population in recent years, and is currently operating with 98 pupils on roll, and a commissioned number of places of 95 for the academic year 22/23. The school currently has 12 pupils accessing residential provision – of whom 10 are young people who qualified for access to residential provision under our previous criteria but who are all due to complete their programme at the school in Summer 2023.
- 3.4 As discussed above, the residential function operates within the Main Hall building – where the heating system challenges exist – and therefore the residential operation is inevitably impacted by the need to take remedial action. However, because the Main Hall building comprises teaching, administrative and catering facilities on the ground floor and, mainly, sleeping accommodation to the first and second floors, our planning needs to factor in the impact on these non-residential functions as well.
- 3.5 The school is currently assessed as being Good by Ofsted, based upon an inspection undertaken in May 2022. The school was assessed as Good across all inspection categories.
- 3.6 The school has experienced significant financial challenges in recent years. It ended the financial year 21-22 with a cumulative deficit of £1.144 million (which amounts to circa 35% of its annual funding income) and its start budget forecast that the school would still have a cumulative deficit of circa £1.1 million at the end of the five year budget period.

4.0 PROPOSALS REGARDING RESIDENTIAL PROVISION

- 4.1 The working assumption that the Main Hall building is out of circulation from September 2023 for a period of two years is particularly challenging for the continuation of residential provision at Welburn Hall school in the interim period – unless an alternative option can be identified in buildings terms.
- 4.2 The Main Hall building includes all the bedroom spaces and spaces specifically earmarked for the residential function.
- 4.3 The residential offer at Welburn Hall has been modified recently (Executive report – March 2022), so that the eligibility criteria now are now in line with Welburn Hall School’s full age range and up to 7 nights per week term time only, and consequently support a smaller number of residential places but meet the needs of those children with a greater complexity of needs locally. Consequently, there are a very small number of young people in residential provision, whose placements would continue into the 2023/24 academic year, and there are no new placements known about at this stage.
- 4.4 In terms of alternative residential accommodation, we have investigated both other properties which could be occupied without requiring significant conversion work and the possibility of locating temporary residential accommodation on the school site for two academic years. The first option did not identify any suitable properties. The second option was discounted on the grounds that (a) the building rental would be relatively expensive (initial estimates were in the region of £500k per annum, and in addition staffing costs would result in very expensive units costs, and (b) if the provision was ultimately to be only needed for two young people, the offer was considered sub-optimal in terms of socialising opportunities. Consequently, this option was discounted even before we assessed what would have been a complex issue in relation to where the range of units could have been located on the school site.

- 4.5 Consequently, because we have not identified an alternative option in terms of accommodation for the period that the Main Hall building is out of operation, we have determined that a pausing of residential provision for a two year period needs to be proposed.
- 4.6 This proposal will be the subject of a consultative process, which is discussed in Section 6 of this report.
- 4.7 Also, consequent considerations from this proposal will be that we will need to work closely with the very small number of families with young people whose placements would have continued into the 23/24 academic year, to identify appropriate high quality alternative placements. In addition, we will need to closely review the implications for the residential staff cohort (a group of 12 staff) whose current roles will not be required during the transitional period.

5.0 **TEMPORARY ACCOMMODATION**

- 5.1 We have assessed whether there would be benefits in procuring temporary accommodation to locate on the Welburn Hall site which would allow functions undertaken in the Main Hall that relate to non-residential activity to continue during the period where we assess that the Main Hall would be out of action.
- 5.2 In terms of our assessment, we have differentiated between the residential activity within the Main Hall, and the other activities (referred to as non-residential requirements) that current take place in the Main Hall (classroom spaces, reception, office accommodation, dining and sensory spaces). As discussed in section 4 we have discounted the possibility of securing temporary accommodation in relation to the residential provision.
- 5.3 In terms of the non- residential accommodation, there is a compelling case for the school to have access to the following areas, otherwise its capacity to support its current pupil roll of 98 pupils would be compromised :-
- Classroom spaces to enable three groups to be educated
 - Space for all pupils at the school to dine
- 5.4 Prior to exploring the temporary accommodation on site option, it should be noted that we have assessed that we cannot develop a cost effective solution on a different site, and to do so would in any event be incredibly disruptive to the school operation. Without any temporary additional accommodation, we would need to make arrangements to educate a significant number of pupils at an alternative provision (potentially another NYCC Special school).
- 5.5 We have secured ballpark estimates for the cost of renting and arranging installation of two double classroom units. The precise cost of this arrangement will depend upon the precise specification we agree upon and the procurement route we follow. The upper estimate we currently have is £235k for a two year period - but it is proposed that this cost is rounded up to £300k for budgeting purposes, This scale of budget provision provides scope to work collaboratively with the school on the precise spaces required, determining the optimal means to accommodate the displaced activity(which may in some cases be about the repurposing of existing accommodation in the Main School Building) (*1), and also any modifications necessary to incorporate the temporary units into the operation of the school (for example, ensuring secure access to the school site)

(*1) For example, discussions to date have identified that whilst the non-availability of the Main Hall building does require a replacement dining facility to be identified, there is a more

effective solution of freeing up a classroom space in the Main school building and using the temporary accommodation to provide an additional classroom space.

- 5.6 It is proposed that this investment would be treated as capital expenditure, and is met from the elements of School Condition Grant previously earmarked for enhancing specialist provision (this cost has been factored into our planning of the SEN Capital programme). The running costs associated with the units would need to be met from the schools own revenue budget - and have been estimated at £5k per unit per annum.
- 5.7 However, in terms of delivery timescale, we need to be realistic that the installation and units becoming operative will not be feasible until at the earliest potentially the beginning of the Summer term 2023 because of:-
- the need to secure planning permission (whilst we are pursuing the pre-planning stage at present, the most time-consuming element of the process has to be linked to a formal decision to proceed with the set of proposals under consideration in this report)
 - the need to go through a procurement phase post planning. We have sought to shorten this stage of the process by planning an exercise to identify preferred suppliers in advance of the determination of the planning permission – which limits the time required at this stage to scheduling and installation (but this will still require a reasonable time window to put into effect).
- 5.8 In addition, discussions with the school leadership team have identified possible needs for office space, reception space and sensory rooms currently available in the Main Hall. As discussed the optimal way to meet these needs are under discussion with the school leadership and a reasonable contingency has been incorporated into the capital estimate in case these spaces need to form part of the temporary accommodation, or require minor modifications to the main school building.
- 5.9 We will need to secure an arrangement for the school to access school meals. The service is currently provided by NYES. It is recognised that rapid negotiations will need to take place between early December and the date that the temporary accommodation becomes available.
- 5.10 Given the urgent need to ensure that curricular delivery is secure for September 2023 onwards, it is recommended that we proceed with securing temporary accommodation for non-residential activity – with appropriate subsequent activity in relation to securing planning permission and procuring the accommodation

6.0 CONSULTATION PROCESS

- 6.1 The specific scenario under consideration in relation to a temporary pause of residential provision is not specifically covered by any statutory provision or guidance.
- 6.2 However, the approach we are proposing to adopt is that we should undertake a full statutory consultation starting early in the New Year, with the objective being that the outcomes from that consultative process could be reported to Executive on February 14th, 2022. If the proposal were to be endorsed at that stage, we would move into a phase of publishing statutory notices, so that final consideration would be given to the proposals at Executive (April 18th, 2023). The draft consultation document is attached as Appendix 1.
- 6.3 In addition, however, it will be vital that we discuss directly with families at the earliest opportunity the potential impact of these proposals and that activity has been taking place since this report was published.

7.0 LEGAL IMPLICATIONS

7.1 The consideration and determination of school organisation proposals by the Local Authority is set out in Education & Inspections Act 2006, regulations and in guidance produced by the Department for Education¹. Careful regard has been had to these within the development of the proposals. The proposals are in accordance with the statutory requirements.

8.0 FINANCIAL IMPLICATIONS

8.1 (A) Capital Implications

As discussed above the capital implications of the temporary accommodation proposals contained within this report (assuming that the recommendations set out in section 6 are adopted) would be £300k. This outlay would need to be resourced from the SEN Capital Programme.

8.2 It is acknowledged that the longer term options for securing the future of Welburn Hall could require much more significant capital investment (dependent on the option selected) - but those implications will be picked up in further reports in the New Year, when there has been time to progress detailed evaluations.

8.3 (B) Revenue implications

By 2023-24 academic year we had anticipated we would be commissioning 7 extra high needs placements from the high needs budget - at a cost of circa £85k per annum. Whilst there will be a saving in this outlay (which would be realised in the high needs budget), we need to factor in that residential placements we will not have the capacity to prevent otherwise very expensive residential placements.

8.4 Specifically our assessment is that the small number of young people – who would have been in residential placements in the 2023-24 academic year, will need alternative residential placements in independent provision. In our previous review of the potential implications of amending residential provision at Welburn Hall, we discussed that these placements typically have a unit cost of £200k to £225k. These costs would only be applicable for the one academic year that the pupils would have remained in Welburn Hall – and are reflected in table 1 below :-

Table 1 :- Impact on High Needs Budget of discontinuing residential provision from September 23

	FY 23-24	FY24-25	FY25-26	FY26-27
	£000S	£000S	£000S	£000S
High Needs Revenue Budget Saving (no extra high needs cost placements)	-347.1	-743.8	-949.2	-1020.0
Actual Projected Placement Costs (2 cases diverted from Welburn Hall)	262.5	187.5	0.0	0.0
Net Impact - Actual Costs	-84.6	-556.3	-949.2	-1020.0
Notional Additional Expenditure on Independent Residential Placements	525.0	1162.5	1612.5	1800.0
Net Impact - Notional Costs	440.4	606.3	663.3	780.0

¹ School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013; Making significant changes ('prescribed alterations') to maintained schools: Statutory guidance for proposers and decision-makers (October 2018).

- 8.5 The table above evidences that there is forecast to be a tangible saving to the high needs budget of £1.02 million by the 2025-26 financial year, as we would not be purchasing extra high needs places at Welburn Hall. However, the notional analysis indicates that the High Needs budget would be adversely impacted over time because we would have lost the flexibility to divert independent residential placements (which was the rationale for the extra high needs capacity at Welburn Hall).
- 8.6 (C) Revenue implications for school
One important consideration for us is that the plans we initiate do not undermine the schools financial recovery pathway.
- 8.7 Welburn Hall has a significant revenue deficit - standing at £1.140 million at the end of the 2021-22 financial year. The school has incurred significant revenue deficits over the course of the last five years from a previous budget surplus position - our review activity indicated that those financial pressures are linked to the inefficient operation of the Main Hall building (exacerbated by residential pupil numbers dropping in recent years).
- 8.8 The analysis undertaken to accompany the proposals to modify the residential offer at the school (through moving to commissions 12 extra high needs places at a unit cost of circa 85k to 90k per annum) indicated that the school could move to a deficit position of £1.1 million at the end of a five year budget window - and that was reflected in the schools start budget submitted in May 2022.
- 8.9 The latest monitor report submitted by the school shows a marked deterioration in that financial outlook - with a five year deficit position of £2.045 million now being forecast. Initial analysis indicates cost pressures / pay inflation are the major contributory factors.
- 8.10 An exercise has been undertaken to establish whether pausing residential provision would be financially beneficial or detrimental to the school, alongside an assessment of where the school could seek to take remedial action to balance the budget.
- 8.11 Our assessment within this revised analysis is that the potential discontinuation of residential provision from September 2023 has a marginally positive benefit on the schools own financial position – but this will need to continue to be tested closely with the school governing body.
- 9.0 **RISK MANAGEMENT IMPLICATIONS**
- 9.1 The main risks to the implementation of this transformational work and mitigating factors to minimise the risk are detailed in Appendix 3.
- 9.2. It should be emphasised that one of the major risks that is being managed is the potential that the heating system may fail during Winter 2022 and the possibility that it may not be possible to put in place workaround arrangements to enable the House to remain operational (which has been assessed as being a very slim possibility). Contingency arrangements have been developed in discussion with the school to mitigate that particular risk.
- 10.0 **HUMAN RESOURCES IMPLICATIONS**
- 10.1 The main staffing implications will be in relation to the future deployment of the residential care staff at the school. Whilst this staff group are employees of the school, there is a recognition that the risk to their employment status is being generated by a local authority strategic decision.

10.2 We will work closely and collaboratively with the school to ensure that there are clear communications with the staff group, and that due process is followed in relation to any consultation exercises that may need to take place with the staff group.

11.0 **EQUALITIES IMPLICATIONS**

11.1 An initial equalities impact assessment has been undertaken as shown at Appendix 5.

11.2 This position will be kept under review as the longer-term proposals are developed.

11.3 During the consultation process in January 2023 and subsequent decision making process, any identified adverse impact will be fully considered and we will identify how this can be mitigated.

11.4 This proposal is being brought forward directly as a result of the local authority technical assessments regarding the condition of the building and the necessary maintenance works identified, and it has been assessed that the local authority is unable to support residential provision at Welburn Hall through the academic years 2023-24 and 2024-25.

11.5 However, the local authority considers that the proposals being brought forward at this point in time, and the timing of this consultation exercise offer the most constructive response to the challenges faced, and are compatible with supporting Welburn Hall to remain a highly effective Special school, and to enable the local authority to assess how residential provision at the school can potentially be maintained into the future.

12.0 **CLIMATE CHANGE IMPLICATIONS**

12.1 An initial Climate Change impact assessment has been completed – on the basis that the working assumption planned maintenance works are actioned in September 2023. The document is attached as Appendix 6.

13.0 **RECOMMENDATION**

13.1 The Executive are asked to approve that:

- i. A consultation process be undertaken in relation to the pausing of residential provision at Welburn Hall for a two year period from September 2023
- ii. Planning permission be sought to install temporary classroom provision on site
- iii. The local authority will not install temporary accommodation for residential operation

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1 December 2022

Background Documents – N/A

Appendices

Appendix 1 - Draft Public Consultation Document :- Temporary Closure of Residential Provision at Welburn Hall School

Appendix 2 - Welburn Hall : Heating and Drainage - Technical Assessment

Appendix 3 - Welburn Hall : Heating and Drainage - Risk Register

Appendix 4 - Welburn Hall : Heating and Drainage - Project Timeline

Appendix 5 - Welburn Hall : Heating and Drainage Project - Equalities Impact Assessment

Appendix 6 - Welburn Hall : Heating and Drainage Project - Climate Change Impact Assessment