

North Yorkshire Council

Children & Young People's Services

Director's meeting with Executive Members

23 August 2023

Welburn Hall Special School – Strategic Options

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

1.0 Purpose of Report

The report evaluates a range of options to respond to the very significant building Challenges faced by Welburn Hall school, which have triggered the pause in Residential provision for two years from September 2023. The report outlines why a preferred solution has been selected – which involves proceeding with the programme of major repairs work to the House building at the school.

2.0 Background

2.1 The significant risk of catastrophic buildings failure at Welburn Hall Special school was identified back in Summer 2022. Specifically, the risks related to the heating system in the House building (which is the base for residential provision and some other school related activities) and the drainage system across the site.

2.2. Following an initial evaluation that the local authority and school would face a potentially very disruptive scenario if there was a major failure in either the heating or drainage systems, it was determined that the issues needed to be responded to in the short-term. The first consequence of this determination was that the local authority initiated a consultation process to pause residential provision at Welburn Hall for two years from September 23 (December 22 report to Executive started that process which has now concluded). One outcome from that consultation process was that a significant number of responses flagged that whilst they were understanding of the local authority needing to pause residential provision to enable the building deficiencies to be addressed, they were strongly in favour of residential provision being restored after a two year period (see Executive report – March 23).

2.3. However, we also identified in the report to Executive in December that before the decision to proceed with a works programme was agreed – that the local authority should explore are there alternative options that could deliver better value for money or better outcomes in terms of the education offer. Within that discussion, it was assumed that Welburn Hall school remains an integral and essential component of our special school offer (in the context of our well documented shortage of specialist provision capacity). This would ensure that we had fully tested all options before committing what will be a significant outlay, whatever resource is committed. In addition, we were mindful that the investment in the works programme would not represent any improvement in the

performance of the buildings or their functionality to support the education offer at Welburn Hall.

2.4. As described later in this paper, we have constructed a range of strategic options and undertaken an evaluation / ballpark costings exercise, which has now been completed.

3 KEY CONSIDERATIONS IN EVALUATING STRATEGIC OPTIONS

3.1. In analysing the range of strategic options, we identified that the key considerations should be

- ***Living within the £5 million capital resourcing envelope – unless there is a compelling case for an alternative option***

3.2 Given we have invested a significant amount of time in developing and promoting with stakeholders that we now have a definitive SEN Capital programme (April 2023), it would be a significant challenge to need to revisit those prioritisation decisions. We have assigned £5 million in the SEN Capital programme for works related to Welburn Hall – and our application for support from the School Condition Grant was rejected by the DFE. We have already effectively committed some resource against the £5 million because of the cost over-run on the temp classrooms and enabling works

- **Seeking to minimise the period of uncertainty for the school**

3.3. The school has been faced with managing a very significant change in its operation with the pausing of residential provision from September 2023 and the installation of temporary classroom facilities for the new academic year. Some options which involve the construction of new facilities – potentially in different locations – would prolong that period of uncertainty which complicates the strategic planning for a school with a very significant financial deficit, and which could pose challenges in terms of staff and pupil retention.

- **Importance attached to the local authority having access to in-house residential provision**

3.4. Our strategic review of residential provision in 2021 affirmed the need for residential provision – but operating in line with a reassessment of the cohort of pupils that we should look to place in that provision. The school has been supportive of that change in emphasis, although the identification of the buildings challenges came early in that process and inhibited progress. The review in 2021 identified the financial benefits of the local authority being able to deploy in-house residential provision rather than commission independent residential placements – and having access to residential provision could also be an important mitigation given the turbulence we have been seeing in the independent sector.

- **If the Welburn Hall site is to be retained, it should operate on the basis that it is a valued asset that is appropriately sized and configured as a school environment**

3.5. The demand for specialist provision has been increasing across North Yorkshire (as documented in the construction of the SEN Capital programme), and this applies to Welburn Hall as well as to other settings.

3.6. We feel that we should be looking to the school operating with a pupil capacity of circa 120 pupils in the medium-term, and the redevelopment options should factor this planning assumption into their design

4.0 Issues

Definition of options

4.1. We have developed a range of options that involve combinations of utilising the Welburn Hall site for education provision and/or residential provision, either through using the house or developing new facilities elsewhere on site in addition to the current main education block.

4.2. We have also considered combinations of developing residential provision / education provision and education plus residential provision off-site, either as new build, or adaptations of existing NYCC properties, or through purchasing properties on the open market and converting them to meet our functional needs.

4.3. Where these options do not involve the operation of the House for residential provision, we have assessed options around mothballing the building or selling that component of the site.

4.4. This process has generated 14 options that have been evaluated – a very brief description of each of the options is detailed below – and the rest of this section discussed the evaluation, alongside some of the caveats regarding that analysis.

4.5. The report evaluates a total of thirteen option, which consider combinations of how we support education (classroom based) delivery, which site / premises we use for residential provision (or whether we continue to offer residential provision), and what future usage is made of the current Welburn Hall site and specifically the House building (*1). These options are described simplistically in the following table :-

(*1) The old hall building at Welburn Hall, which houses the residential provision, and also currently incorporates the school reception area, catering and dining areas, and some classroom spaces is referred to by the school as “The House” – and this reference has been used in this report.

	Welburn Education Provision	Welburn Residential Provision	Welburn Hall “House building”
Option 1.1	Stable Block and new unit on site	Discontinued	Mothballed
Option 1.2	Stable Block and House	Resume in sept 25	Works undertaken and in action
Option 1.3	Stable Block and new unit on site	Discontinued	Sold

Option 2.1	Stable Block and new unit on site	New build - off-site - site owned by NYC	Mothballed
Option 2.2.	Stable Block and new unit on site	Refurb existing NYC building off-site	Mothballed
Option 2.3	Stable Block and new unit on site	Refurb properties purchased on open-market off-site	Mothballed
Option 3.1	Stable Block and new unit on site	New build - on Welburn hall site	Mothballed
Option 3.2	Stable Block and House	New build - on Welburn hall site	Works undertaken and in action
Option 4.0	build new school on new site	Discontinued	Sold (following drainage works)
Option 5.0	build new school on new site	Build new residential on same site as school	Sold (following drainage works)
Option 6.1	build new school on new site	Build new residential on same site as school	Sold (following drainage works)
Option 6.2.	build new school on new site	Refurb existing NYC building off-site	Sold (following drainage works)
Option 6.3	build new school on new site	Refurb properties purchased on open-market off-site	Sold (following drainage works)

Options Appraisal

4.5. Strategic planning and corporate property colleagues have worked closely with our strategic partners, Align, and have developed an evaluation matrix for the full range of options – which is attached as Appendix 1 to this report.

4.6. However, the table below provides a summary of the net capital outlay implications. One specific caveat to emphasise is that the temporary classroom accommodation being installed as part of the programme associated with closing the House building has a limited planning permission period, and we have only currently budgeted for two years of lease

rental charges. Most options which involve the development of new education provision (aligned to not having operational access to the House) would require an extended period of temporary classroom provision beyond September 2025 – introducing additional cost and further period of uncertainty. At this stage those additional costs have not been incorporated – because it would be speculative as to the time period that the facilities were required for. However, this means that the overall cost implications will be understated for these options.

Option	Education (Day Provision) facilities	Residential facilities	Use of House Building	Total Net Capital Outlay (£Ms) (*1)	extended temp provision
Option 1.1	Stable Block and new unit on site	Discontinued	Mothballed	5.764	**
Option 1.2	Stable Block and House	Resume in sept 25	Works undertaken and in action	5.264	
Option 1.3	Stable Block and new unit on site	Discontinued	Sold	4.36	**
Option 2.1.	Stable Block and new unit on site	New build - off-site - site owned by NYC	Mothballed	11.738	**
Option 2.1.	Stable Block and new unit on site	Refurb existing NYC building off-site	Mothballed	7.503	**
Option 2.1.	Stable Block and new unit on site	Refurb properties purchased on open-market off-site	Mothballed	9.191	**
Option 3.1.	Stable Block and new unit on site	New build - on Welburn Hall site	Mothballed	12.477	**
Option 3.1.	Stable Block and House	New build - on Welburn Hall site	Works undertaken and in action	12.019	**

Option 4.0.	build new school on new site	Discontinued	Sold (following drainage works)	12.872	**
Option 5.0.	build new school on new site	Build new residential on same site as school	Sold (following drainage works)	19.65	**
Option 6.1	build new school on new site	Build new residential on same site as school	Sold (following drainage works)	19.65	**
Option 6.2	build new school on new site	Refurb existing NYC building off-site	Sold (following drainage works)	14.673	**
Option 6.3	build new school on new site	Refurb properties purchased on open-market off-site	Sold (following drainage works)	16.36	**

Notes

(*1) It should be noted that the capital estimates for a number of the scenarios which involve either new build development, or the repurposing of existing buildings, have been constructed using standard cost multipliers for schools and education infrastructure projects. In particular, the projects involving the redevelopment of existing buildings (whether within the NYC portfolio or not) are not based upon detailed appraisal of any particular building – and there would need to be a caveat that a building within an appropriate geographical area, appropriate size and appropriate to be redeveloped would need to be identified.

4.7. All options are outlined at Appendix 1 – with the ballpark costings that have been provided by Align Property Services.

4.8. Only options 1.1, 1.2. and 1.3 come close to falling within the £5 million provision made for the project within the SEN Capital programme – and there were no other options that felt as if they had potential that merited further consideration (i.e. they delivered considerably better outcomes that would have merited a discussion about the value for money of additional investment).

4.9. The officer evaluation is that Option 1.2 offers the optimal way forward – it supports residential provision being reinstated from September 2025, and would enable us to offer a more certain planning framework for the school moving forwards, as well as keeping the period of disruption / transition to a relatively short period.

4.10. However, before discounting options 1.1. and 1.3 it was considered appropriate to look at their characteristic and disadvantages in more depth, because they were the only

two other options coming close to passing the affordability test. The evaluations below are considered to be robust evidence as to why option 1.1. and option 1.3. are being discounted at this stage.

Option 1.1 House Mothballed and additional education building constructed on site, no residential offer.

Cost Estimate: £5.764 million

4.11. This option would leave the site without residential provision and is projected to be more expensive than refurbishing the hall. Leaving the mothballed hall on the site represents a significant liability and ongoing cost in terms of maintenance and security. Although the site is oversized for a 120 place special school it would not be straightforward to construct the additional education buildings that would be required on the site. The possible locations for this block would be limited by heritage value of the site and terrain. It is likely that the location of this block could impact the farm area which is a resource which is valued highly by the school. As discussed above, the construction of this block would also go beyond the hire period for the temporary classrooms and this would incur further cost. The permanent removal of residential provision from the site would also lead to significant further revenue costs to the high needs block unless alternative in county placements could be found.

Option 1.3 Part of site including hall sold and additional education building constructed on site

Cost Estimate: £4.36 million

4.12. This option would leave the site without residential provision and is projected to be more expensive than refurbishing the hall. Selling the hall and part of the site would remove the ongoing liability of having the hall unoccupied. The potential capital receipt is however quite modest in the context of overall project costs. The possible locations for this block would be limited by heritage value of the site and terrain. It is likely that the location of this block could impact the farm which is currently valued highly by the school. In addition, the site area required for the new teaching block there would also need to be significant reorganisation of parking provision onto the area of the site that would be retained for school use. This would have an impact on the available school provision and additional cost for the works. As part of this proposal, it would be necessary for the school to maintain their access arrangement which it is acknowledged would reduce the attractiveness of the hall to potential buyers. It would be challenging for the school to manage pick up and drop off times safely on the site with third party users accessing the hall. The construction of this block would also go beyond the hire period for the temporary classrooms, and this would incur further cost. The permanent removal of residential provision from the site would also lead to significant further revenue costs to the high needs block unless alternative in county placements could be found.

Summary of evaluation

4.13. As set out above the officer recommendation is that the most appropriate option to pursue is the refurbishment of the existing hall for continued use for school and residential provision (Option 1.2). This is the lowest cost option that retains both and educational capacity of 120 pupils whilst also providing space for residential placements, and the recommendation follows a more detailed scrutiny of options 1.1. and 1.3.

5.0 Funding/Financial Implications

5.1. The cost of the programme of works (see earlier discussion on the preferred option) is assessed as being £5.3 million. When this is added to the cost of the temporary classroom hire and associated enabling works, the total cost of works related to Welburn Hall building challenges is now forecast to be in the region of £6.2 million.

5.2. A resource of £5.3 million was assigned to Welburn Hall (both temporary and longer term strategic options) in the SEN Capital programme approved in March 2023.

5.3. Whilst there could be some limited scope to explore making some reductions in the block allocations that have not yet been deployed (alternative provision, post-16 developments and further roll- out of targeted mainstream provisions) , we are also acutely conscious that we have two major schemes (in Springwater and the development of a new secondary autism provision) that are in the early stages of development and that market conditions within the construction industry are currently proving very challenging to deliver projects to budget.

5.4. For all the above reasons we would potentially face a very challenging scenario to conclude at this stage that the "preferred option" at Welburn hall could be delivered within the existing SEN resource envelope. However, the council have resolved (*1) to deploy community infrastructure levy resources (CIL) to education projects in the Ryedale area - with Welburn Hall being a specific project referenced in that decision. Consequently, it is proposed that £2million of CIL resource is allocated to support the delivery of the Welburn Hall preferred option.

(*1) North Yorkshire council executive decision (June 20th, 2023) and contingent upon potential call- in of decision

5.5. The challenges of potential overspend on the major schemes in the programme remains pertinent - but with the contribution from community infrastructure levy, it is proposed that these challenges can be reviewed as part of the first six- monthly review of the programme when we will have access to progression on the costing and programmes for those major schemes.

6.0 Legal Implications

6.1 North Yorkshire Council has a statutory duty to keep under review the educational, training and social care provision pursuant to section 27 Children and Families Act 2014. North Yorkshire Council has statutory duties to deliver the special educational provision contained in children / Young People's Education Health & Care Plans pursuant to section 42 Children and Families Act

7.0 Impact on Other Services/Organisations

7.1 The particular option recommended in this report would permit residential provision to resume in September 2025 – and thus mitigate the need to identify and develop commissioning relationships with new organisations to meet the residential provision requirements.

8.0 Risk Management Implications

8.1. The significant risks that have been identified to date are that (a) there is cost escalation in delivering the preferred option in this report, (b) there are delays in the delivery of the programme that result in residential provision not being able to recommence in September 2023.

8.2. These risks will be tracked through the officer groups, Welburn Hall Project Board and the Schools Capital Delivery Board – and overall progress reporting on the project will form part of the updates on the SEN Capital Programme (as discussed in Section 4 above).

9.0 Human Resources Implications

9.1 There are no direct human resource implications from this evaluation of strategic options – although enacting Option 2.1. would lead to the reinstatement of residential provision at Welburn Hall, which would in turn require the school to recruit a new residential workforce.

10.0 Equalities Implications

10.1. The equality impact assessment developed at the earlier stage of this project is being kept under review but it is anticipated that the adoption of the preferred option in this report will both enable the service to avoid disruption to education delivery for the full pupil cohort at Welburn Hall, and meet the needs of young people who would benefit from residential placements, which was identified as a risk in the report proposing the need to pause residential provision at Welburn Hall school.

11.0 Environmental Impacts/Benefits

11.1 The capital estimates related to the preferred option are predicated on continuing to operate oil-based heating at Welburn Hall school – and a climate change impact assessment is currently under development to reflect this decision.

12.0. Engagement and Communications Plan

12.1. The Governing body at Welburn Hall have been kept updated throughout the development of the Council response to the buildings conditions issues at the school – particularly in relation to the consultation and decision-making leading to residential provision being paused at the school from September 2023.

12.2. Whilst the Governing Body was aware that a detailed options appraisal was being undertaken, at this stage no discussions have taken place with key partners in relation to this options appraisal – but our understanding, based upon those significant earlier discussions is that the recommendation to proceed with the works programme and continue to aim to restore residential provision from September 2025 will be strongly supported by the schools Governing Body.

12.0 Reasons For Recommendations

12.1. Section 4 of this report has discussed how officers have assessed that option 1.2. - which invests in major repair programme for the heating and drainage systems at the school, which will facilitate the reinstatement of the residential offer from September 2025 - performs optimally in terms of meeting the criteria set out in section 3

12.2. In particular, the strengths of this option are considered to be :-

- it facilitates the reinstatement of residential provision from September 2025 - which was seen as a key strategic consideration for the county council, as well as the feedback from the governing body and wider school community that they would highly value the provision being part of the service offer from the school

- it minimises the period of uncertainty for Welburn hall school

- it is one of only three options that come close to living within the £5 million envelope that we have allocated within the SEN Capital programme - and as discussed in section 5 we have a view that the recommendation in this report is affordable within the programme.

13.0 Recommendations

i) It is recommended that Option 1.2 is adopted as the optimal performing strategic option

ii) It is recommended that the implications of this decision in relation to Welburn Hall school in relation to the SEN Capital Programme is kept under review and is formally reviewed as part of the first six-monthly review of the SEN Capital programme

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15th August, 2023

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Background Documents:

- 1. North Yorkshire Council Executive (June 20th, 2023) – “To consider the CIL Proposals submitted by Ryedale Council”**

<https://edemocracy.northyorks.gov.uk/documents/s20028/CIL%20Report.pdf>

- 2. North Yorkshire County Council Executive (13th December, 2022) – “Consideration of the Building Condition at Welburn Hall and potential remedies”**

<https://edemocracy.northyorks.gov.uk/documents/s15623/Welburn%20Hall%20-%20Heating%20and%20Drainage%20Report.pdf>

Appendices:

Appendix 1 :- Strategic Options :- Evaluation Matrix