



**Executive**  
26 May 2009

**Report from the Director of  
Children and Families**

Wards Affected:  
All Wards

**Redevelopment of SEN Provision at the Hay Lane and Grove  
Park School Sites**

Forward Plan Ref: C&F-08/09-025

## **1.0 Summary**

- 1.1 Hay Lane and Grove Park are all-age community special schools. They are adjacent to each other and share a site. The buildings of both schools are facing major suitability and condition problems.
- 1.2 This report sets out the business and educational case for the redevelopment of the schools. It seeks Executive approval to proceed with the redevelopment. The proposed resourcing arrangements are set out in the report and are subject to approval from the Schools Forum.
- 1.3 This report also proposes the relocation of the split site respite facilities currently at Crawford Avenue and Clement Close to be co-located onto the Hay Lane and Grove Park school site. This will not only realise efficiency savings but also lead to improvements in the quality of respite provision in the borough.

## **2.0 Recommendations**

The Executive is requested to:

- 2.1 Agree to proceed to the design phase for the scheme based on:
- a. the total rebuild of both Hay Lane and Grove Park special schools, with the exception of the new post 16 block, on the existing site

- b. the relocation of Respite Centres from Crawford Avenue and Clement Close to the Hay Lane/Grove Park site and declaring both the former sites surplus to Children & Families requirements
- c. the use of the £8m Targeted Capital Fund on the rebuild project
- d. the use of ongoing savings generated towards financing the the costs of the scheme, including the requirement to seek approval from the Schools Forum for an annual contribution from the schools budget
- e. the acquisition of the Roberts Court Land

2.2 Note that the current projections show that the costs will exceed savings in the first few years of the project. This would require the Council to identify funding streams to cover these costs.

2.3 Note that through the design stage further opportunities for reducing construction costs and realising revenue funding from land sales of housing development will be fully explored. If successful, this would reduce the project costs and reduce any potential contribution required from the General Fund.

2.4 Note that a further report will be brought to the Executive for a final decision on the redevelopment of Hay Lane and Grove Park school sites.

### **3.0 Detail**

#### **3.1 Background**

3.1.1 Hay Lane and Grove Park are two all age special schools located on adjacent sites. Both schools are facing major suitability and condition problems. The educational environment the schools provide is becoming ever more unsuitable as the degree of disability among the children is increasing. It will be increasingly difficult for the Council to meet its statutory obligations given the current state of the buildings.

3.1.2 There is an opportunity to use funding allocated to Brent from the Government's Targeted Capital Fund (TCF) towards the redevelopment of the schools. Funding of £8 million has been allocated to Brent for use in 2009/10 and 2010/11.

3.1.3 A financial appraisal has been undertaken to compare the long-term costs of refurbishing, remodelling and extending the existing buildings with a rebuild. The appraisal shows that remodelling is more costly over the 60 years lifecycle of the project than rebuilding. In addition, the existing buildings on the current site would not address some of the current environmental issues and would make it very difficult to generate efficiency in use of space. There is an overwhelming case for a rebuild rather than refurbishment, remodelling and extending.

3.1.4 Doing nothing other than repair and maintenance is not a viable long-term option given the serious concerns about the condition and suitability of the buildings. If this scheme did not go ahead, major investment is still going to be required in the short to medium term.

- 3.1.5 There are land issues associated with the proposals. A rebuild can be carried out within the boundaries of the existing schools sites. However, if the adjacent unused Robert's Court Land to the south of the site is acquired, it will ease access during the construction period and reduce the need for off-site decanting for pupils at the schools.
- 3.1.6 As part of the overall development of the site, it is proposed that the Borough's short term break and respite services, currently provided from Clement Close and Crawford Avenue, should be relocated to the school site. This would enable significant improvement to be made to the quality of respite provision and produce a capital receipt and revenue savings. These savings have been set against the financing cost of the development.
- 3.17 The government has given all local authorities a capital allocation under the Aiming High transformation programme for disabled children. This grant is to be spent by the end of March 2011 for the purpose of improving short break services for disabled children. It is proposed that Brent's grant allocation of £460k is used towards the new respite facilities as part of the redevelopment.
- 3.1.8 A rebuild would also enable an increase in number of children attending the schools from 210 at present to 235. There is pressure on special school places with a continuing increase in the number of children in Brent with profound and multiple learning difficulties and with autism and associated learning and behaviour difficulties. Increasing capacity will lead to significant savings in out-Borough placement and transport budgets. These savings have also been set against the financing cost of the development.
- 3.1.9 Hay Lane and Grove Park schools are already developing collaborative arrangements. Governors of both schools are currently embarking, with the full support of the local authority, on the consultation phase required to form a hard federation. If agreed, this will bring the management of the two schools under one governing body. Both schools acknowledge that rebuilding of two separate schools would not make best use of the site or other resources, nor would it meet the Government's transformational agenda for raising standards. Under the rebuild proposal, a single school with one headteacher and one governing body would be created.
- 3.1.10 There are significant educational benefits associated with these proposals. Rebuilding the schools will provide additional classroom space and an educational environment better suited to the needs of students with multiple learning difficulties and disabilities. There will be much needed improvement to specialist facilities and outside areas. It will address the current inefficiencies in the use of space and greatly improve access arrangements. It will transform the educational opportunities available to some of the most vulnerable children and young people in Brent.

## 3.2 Current provision at Hay Lane and Grove Park Schools

- 3.2.1 The schools cater for a wide range of special educational needs including profound and multiple learning difficulties, severe learning difficulties, autism with associated learning and behavioural difficulties and physical disabilities. The range and complexity of needs of children attending the two schools are increasing and there is an overlap in the type of needs that the two schools serve.
- 3.2.2 The buildings of both schools are facing major suitability and condition problems. The educational environment that the schools provide is becoming increasingly unsuitable as the range and complexity of children's needs increases.
- 3.2.3 The buildings are system built 1970 construction nearing the end of their useful life. The current buildings are not fit for purpose educationally and they do not conform to the current DCSF guidance on accommodation for special schools as now published in DCSF Building Bulletin (BB) 102. Major electrical and mechanical services works are required within the next five years.
- 3.2.4 The buildings contain high levels of asbestos which cause operational difficulties including higher maintenance costs, limits on alterations, and diversion of management time away from education. In the past the Council has been served with improvement notices by the HSE in respect of Hay Lane.
- 3.2.5 The current buildings are mainly single storey and their footprint makes for most of the site to be inefficiently used.
- 3.2.6 Access to the buildings is limited causing congestion in the school driveways and adjacent roads twice every school day as some 200 pupils are transported to / collected from the sites by a range of vehicles (mini buses, cars, taxis, etc.).

### 3.3 The case for rebuilding

- 3.3.1 The Council commissioned Hunters (Architects) to prepare an options appraisal for improving Hay Lane and Grove Park Special Schools in line with current building regulations.
- 3.3.2 Two main options were considered. These were a) refurbishing and remodelling the existing schools and b) rebuilding the two schools as one.
- 3.3.3 The option to refurbish and remodel the existing buildings is more costly over the 60 years lifecycle of the project; this is because a) the remodelled and refurbished sections will be required in 25 years time, b) a greater floor area will be required due to the inefficiencies of remodelling the existing accommodation and c) the revenue costs of running the buildings will be much higher.
- 3.3.4 The rebuild of the 2 schools would have a lifecycle of 60 years. The new building is proposed to be multi-storey with a physical relationship to the new post 16 block (already constructed in 2007 and in use) to ease the movement from one part of the school to another and

assisting ready access to medical and other specialist facilities located within the complex.

- 3.3.5 The preferred option is the rebuild. Further detail of the financial appraisal is set out in section 3.8.

### 3.4 Land Issues

- 3.4.1 If the rebuild option is agreed the redevelopment can be carried out within the boundaries of the existing school sites.
- 3.4.2 There will however, be a short-term need to take all or some of the children off site during construction. The extent of this need will not be clear until the design is developed.
- 3.4.3 Ideally, a decant off-site will enable the most efficient use of resources. It may also offer an additional benefit with the proposal of a decant site to be deployed later for other major school projects. However, a site has not yet been identified and it may not be possible to select a suitable site for long term use within the timescale of the project.
- 3.4.4 Therefore, it is proposed that the optimum solution for this project is to purchase the adjoining unused Roberts Court Land (RCL) to the south of the site (see Appendix 1, site plan showing Roberts Court Land). This will ease access during the construction phase and reduce the need for off-site decanting. If acquisition of RCL is not possible for any reason, then an alternative would be a short-term lease of the vacant Robert's Court land adjoining the south of the site. The cost of that lease would fall to the £1.5m included in the project costing for acquisition of RCL.
- 3.4.5 If the refurbishment option is taken, the current site is not large enough to meet the external space standards. Whilst this regulation can be circumvented by providing alternative off site PE facilities that is not a practical solution for these children. In that event the LA would need to acquire the adjacent RCL site permanently for educational purposes. That would run counter to its current designation for health development. £1.5m has been included in the project costing for acquisition of the land.

### 3.5 Respite facilities.

- 3.5.1 The rebuild proposal will allow the re-provisioning of the respite centres at Clement Close and Crawford Avenue on the Hay Lane/Grove Park site. This would enable a single high quality respite facility to be established, bringing improvements to existing accommodation as well as efficiency savings.
- 3.5.2 The proposal will allow the split short break and respite service to co-locate on this site. Many clients of this service come from Hay Lane and Grove Park schools. The respite centre would be separately managed from the schools but would have dual use

of some school facilities. The move would release a) Clement Close providing a capital receipt of approximately £410k and b) Crawford Avenue providing revenue saving on rent of at least £32k/annum. With one set of new premises replacing two old buildings there would be additional revenue savings on premises running costs and staffing.

3.5.3 Full consultation will be required on these proposals.

### 3.6 School Organisation

3.6.1 Hay Lane and Grove Park are two separate schools, each with its own governing body, headteacher and senior management team,

3.6.2 There have been regular meetings between representatives from the school, governing body and local authority over the past 12 months. All acknowledge that rebuilding of two separate special schools would not make best use of the site and would be extremely unlikely to gain DCSF approval. The redevelopment proposals would be associated with the establishment of a single school and governing body.

3.6.3 The governing body are already consulting on forming a hard federation with a single governing body and two headteachers. In parallel with this process, the local authority is preparing to embark on the statutory process required to re-organise the school as one school. The local authority is working in close collaboration with the headteachers and governing bodies and there is a shared commitment to the long-term objectives of the scheme.

3.6.4 There are clear benefits of the one-school development, as follows,

- There is already an overlap in the range of needs met in the two schools requiring a sharing of expertise and a common approach
- A single management team should ensure a better deployment of the diverse and highly skilled workforce and provide enhanced opportunities for professional development
- Specialist staff and resources such as that supplied from the NHS and expensive therapy facilities such as hydrotherapy and swimming pools can be shared much more readily
- Curriculum planning and continuity would be improved.

### 3.7 Timetable

The outline timetable from this point onwards is set out in the table below:

**Table 1 - Tentative timetable for the Design & Build stage**

<b>Milestone</b>	<b>Date</b>
Design completion	Summer 2010
Construction phase 1 starts	Summer 2010
Occupation of Respite Centre	Autumn 2011
Construction phase 2 starts	Summer 2011
Occupation	September 2012

### 3.8 **Financial Appraisal of the Options**

3.8.1 Previous sections of this report set out the advantages and disadvantages of the following 3 options:

- Option 1: Do nothing
- Option 2: Refurbishment and remodelling
- Option 3: Full rebuild

3.8.2 Option 1 was discounted as a realistic option because the current building conditions dictate that limited repairs and maintenance investment will only be viable over the short-term; over the short to medium term a degree of substantial investment in the buildings will be necessary. In other words over the short to medium term the Council would have to undertake Option 2 or Option 3.

3.8.3 Option 2 does delay significant investment to some extent but again during the medium to long term an element of major rebuilding would be necessary as the physical limits of remodelling and refurbishment are reached.

3.8.4 Option 3 requires the earliest investment and delivers the necessary service improvements to an earlier and far greater extent than option 2.

3.8.5 As option 1 has been discounted it is appropriate to undertake a financial appraisal of option 2 and option 3 and compare the financial case of each by comparing the lifecycle costs of each option. This is a traditional method for appraising investments and appraisal between options.

3.8.6 The following table sets out this investment appraisal and shows that a complete rebuild solution (option 3) provides greater benefit over the refurbishment and remodel option (option 2).

Table 2 - Investment & Savings

<b>option 3 is the preferred option</b>		<b>option 2 Refurb/ Remodel (£'000)</b>	<b>option 3 Rebuild (£'000)</b>
1	<b>Initial Capital Cost</b> (See page 2 for details:updated cost based on latest update from EC Harris Feb 2009)	25,303	28,677
2	Additional Decanting Costs Acquisition of Robert's Court Land (no valuation conducted)	2,000	2,000
3		1,500	1,500
4	<b>Total Capital Required</b>	<b>28,803</b>	<b>32,177</b>
5	Available Funding:		
	Current TCF Funding (£8,000k)		
	Devolved Capital Funding 08/09 to 11/12 (£286k)		
	Maintenance Capital (£500k)	(8,786)	(8,786)
6	<b>Additional Capital Required</b>	<b>20,017</b>	<b>23,391</b>
7	Less: Capital receipts from Clement Close Respite Centre Site (£410k) Aiming High Grant (£460k)	(870)	(870)
8	<b>Net Capital Required</b>	<b>19,147</b>	<b>22,521</b>
	<b>Savings - based on 60 years lifecycle*</b>		
9	Lifecycle Cost Savings (see table 3 for details of attached business case) - discounted 3.5%	0	(5,794)
10	FM Revenue Savings (see Table 4 for details of attached business case) - discounted 3.5%	0	(1,196)
11	Revenue Savings from Respite Centre - Crawford Avenue Rental over 40 years - discounted	(645)	(645)
12	Revenue Savings from Respite Centre - Staff efficiencies @ £50k p.a. (40 years discounted)	(1,008)	(1,008)
13	Discounted revenue savings from reduced transportation placements and lump sum reduction- transport savings based on transport review savings	(18,087)	(18,087)
14	<b>Total Gross Savings</b>	<b>(19,740)</b>	<b>(26,730)</b>
15	<b>Net Savings on Total Capital (14-4)</b>	9,063	5,447
16	<b>Net savings on Additional/Gap Capital (14-8)</b>	<b>(593)</b>	<b>(4,209)</b>

3.8.7 The table above also shows that the capital investment required for Option 2 is £19.147m and for Option 3 it is £22.521m.



### 3.9 Risk and Risk Management

A risk register is being maintained for this project. This document is a means of recording the identified risks, their severity, and the actions steps to be. Top three risks and the management strategy are summarised below:

Risk 1: To be able to deliver this project in the timescale provided in section 3 above, it is important for key decision makers to make decisions on time.

Strategy: Robust project documentation will be provided in time for key decisions to relevant stakeholders.

Risk 2: Potential delays in procurement.

Strategy: Legal forum will review key documentation; established procedures and guidance will be followed.

Risk 3: Potential delays in obtaining planning permission and additional planning costs not provided for within the funding allocation could also slow down this project and/or affect its delivery.

Strategy: Planning conditions will be identified as early as possible in the project; the local authority will closely liaise with the Planning Authority prior to the submission of the planning application.

### 4.0 **Financial Implications**

#### Meeting the Construction Costs:

4.1 The Council has been allocated £8m through a specific capital grant called Targeted Capital Fund for SEN capital developments. This report proposes using this grant entirely on this rebuild scheme and is included in Table 2 above in formulating the net capital requirement.

4.2 Table 2 above shows that the initial capital required for Option 3 (rebuild) is estimated to be £22.521m (including £1.500m on the acquisition of RCL). Acquisition of this land is required for decant purposes during the construction period. Assuming that following completion of the project Roberts Court Land can be resold for at least £1.561m then the net capital requirement is £21.421m.

4.3 Table 3 below provides an overall summary of the scheme's costs and savings.

<b>Table 3 - Affordability Model</b>	
	£'000
Net capital requirement (assuming resale of Roberts Court)	21,421
Net present value of ongoing revenue savings:	
- Crawford Ave/Clements Close	
- Day placements	
- Residential placements	
- Transport savings	
- Reduction of Special Schools lump sum	-19,740
Current Gap	1,681

- 4.4 Appendix 2 sets out a cash flow analysis of financing this level of capital expenditure through prudential borrowing. It shows the level of capital financing costs over a 43 year period which are then offset by various savings and income streams over that same period.
- 4.5 Appendix 2 shows that the project's estimated revenue savings are not adequate to meet the currently projected capital costs over the 43 year period. The important issue for the Council (which does not have sufficient capital reserves) of undertaking prudential borrowing to finance the rebuild is determining how the annual debt financing costs of £1.221m will be met.
- 4.6 It is proposed that the larger element of this annual cost of £1.221m is to be met from the Schools Budget through savings resulting from reducing placement costs, establishing a single school and potentially through a revenue contribution to the schools capital programme. This will require consultation with the Schools Forum and their approval as the Financing of Maintained schools Regulations are clear that any new capital financing costs charged to the Schools Budget require the approval of the Schools Forum. Without the Forum's approval the Council would need to seek approval from the Secretary of State.
- 4.7 However, there remains a funding gap of £181k per annum for the major part of the 43 years. This gap is a great deal higher in the first six years of the project as the revenue savings are phased in over a period of time.
- 4.8 The funding gap in the first few years and subsequent years will need to be met from either the Schools Budget or the General Fund or a combination of both. Alternatively, the capital costs need to be reduced to match the capital requirements with the savings available.
- 4.9 The revenue savings generated from the rebuild scheme result from reduced revenue costs such as staffing and building costs from establishing a single school rather than currently having two separate schools and from enhancing in-borough provision. Increasing in-borough provision will achieve significant savings in SEN transport costs as pupils will not need such lengthy transport arrangements and in-borough provision tends to be far less costly than expensive private residential placements (Appendix 3).
- 4.10 The current school capital programme for £20.5m is not sufficient to fund this project since budgets are allocated to other primary and secondary projects.

## **5.0 Legal implications**

- 5.1 The Council has the power to acquire land for the purposes of any of its functions by virtue of section 120 of the Local Government act 1972.
- 5.2 Discussions are in hand between officers preparing for the statutory proposal to reorganise these two schools as one. That process, allowing for school vacation periods is likely to take to the end of this calendar year. Provided the governors of the two schools agree in June to form a hard federation, this process is not critical to the progress of this project.

5.3 The appointment of an architect to design the scheme will need to be procured in accordance with Standing Orders and the Public Contracts Regulations 2006 ("the EU Regulations"). It will be possible for an architect to be appointed from the Council's corporate property framework but such appointment will require Executive approval for the appointment in accordance with Standing Order 86(d). The building contractor will also need to be appointed in accordance with Standing Orders and the EU Regulations."

## **6.0 Diversity Implications**

6.1 This project will put this particularly vulnerable group of young people on an equal footing in respect of educational provision as their peers in mainstream schools. Without it they will be left behind. An equality impact assessment will be completed.

## **7.0 Staffing Issues**

7.1 Staffing matters in the schools are the responsibility of the governors. Staff are represented on those governing bodies. Officers have already made clear that any re-organisation will be carried out in accordance with the agreements Brent has with the recognised trade unions. The number of pupils is likely to rise. There is therefore little if any likelihood of a need to reduce staffing numbers as a result of this reorganisation. However it is likely that a number of people's jobs will change and fair selection processes used where necessary. Following an executive agreement to proceed, formal consultations would start with the trade unions.

7.2 A similar situation applies to the short term break and respite service. Here the Integrated Services Manager has started discussions with her staff on the possible arrangements with one set of premises rather than the current two.

## **8.0 Background Papers**

1. Business Case Summary -9.4.09
2. Asset Management Information.
3. Feasibility Study by Hunters Dec 2008 (Final version).
4. Financial Analysis by EC Harris Built Asset Consultancy Jan 2009 (Final Version).
5. Background & Assumptions – Project files, TCF Project Steering Group Notes.
6. File notes of discussion with Hay Lane & Grove Park special schools.

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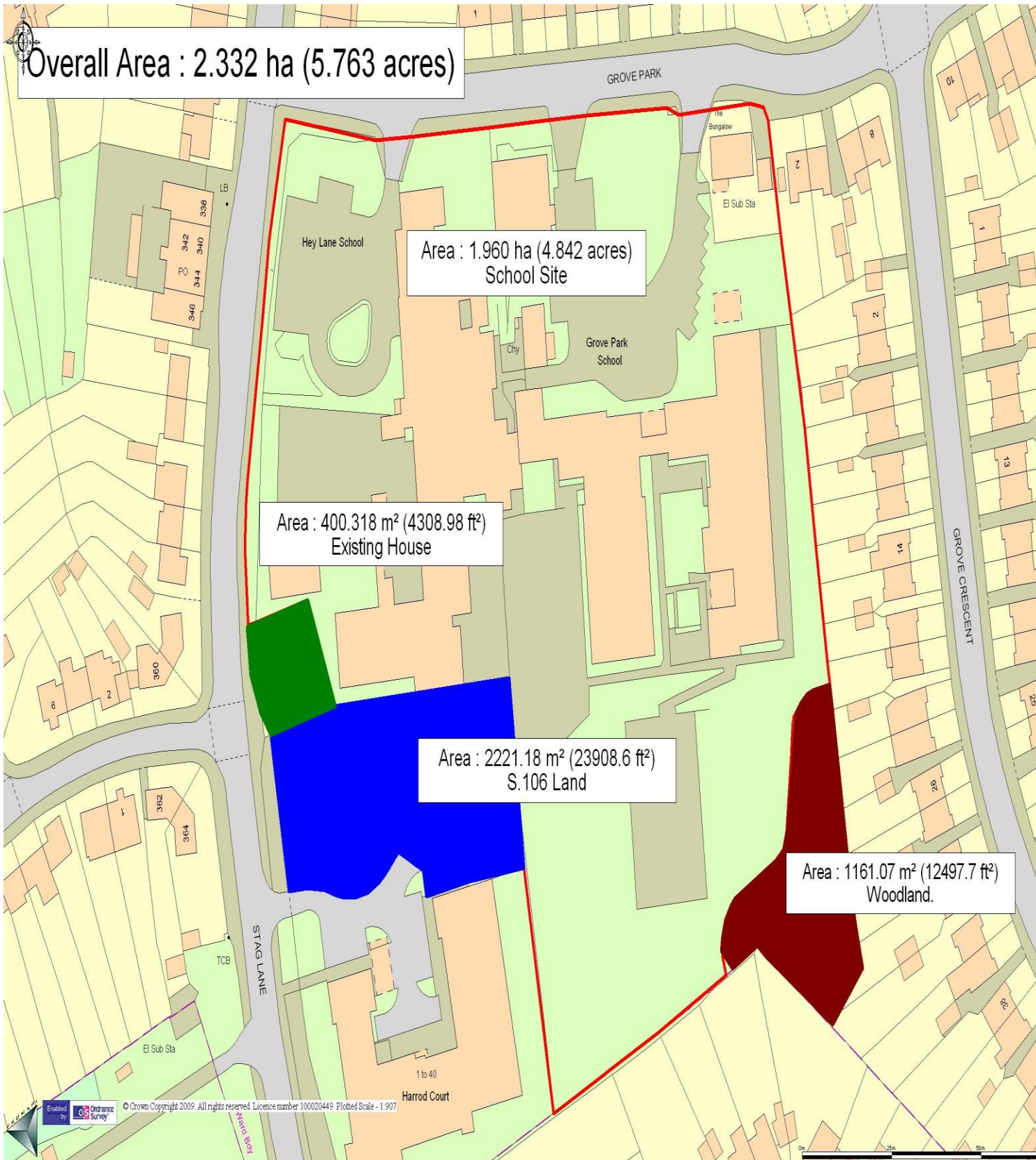
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# Appendix 1

## Site Plan with Robert's Court Land

**KEY -** Roberts Court Land 



### Grove Park/Hay Lane – savings on out-Borough placements

The capacity of the 2 schools currently is 210 students. After re-build, there will be capacity for 235 students; 185 in the main school and 50 in the post 16 block. There will therefore be 25 additional places.

There will be improved facilities, a respite centre on site and co-location of health provision. This will increase attractiveness of Hay Lane/Grove Park to parents. The school will also be better placed to meet the needs of students with specialist and complex needs (including ASD/Challenging behaviour and multi sensory impairment) as a result of improved facilities.

Currently, both schools are virtually full to capacity and we are having to place some children out-Borough simply because our local provision is full. It is projected that demand for places will continue to grow, particularly for students with severe learning difficulties/autism and profound and multiple learning difficulties.

Once the additional places are available, there will be savings on placement costs (within the Dedicated Schools Budget) and transport costs (within the local authority budget). Initial investment is required in order for savings to be generated from 2012/13 onwards.

For every out-Borough day placement avoided, the projected savings are as follows,

Savings to placement budget = £10k/year.

Savings to transport budget = £18.4k/year (20% NKA savings applied to £23k per pupil)

For every residential placement avoided, the projected savings are as follows,

Savings to placement budget = £45k/year.

Savings to transport budget = minimal

**Table 1a and 1b are based on the following assumption**

1. The average length of an out-Borough placement is 5 years (this is a modest assumption as most students placed out-Borough do not return to the Borough).
2. Each year after rebuild, 5 out-Borough day placements and 2 residential placements will be avoided.

<b>Projected savings on day placements</b>					
<b>Table 1a</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5 and continuing</b>
Number of students attending HL/GP who would otherwise be placed in day out-Borough schools.	4	8	12	16	20
Savings on transport budget £k	74	147	221	295	368
Savings of placement budget £k	40	80	120	160	200

<b>Projected savings on residential placement.</b>					
<b>Table 1b</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5 and continuing</b>
Number of students attending HL/GP who would otherwise be placed in residential out-Borough schools.	1	2	3	4	5
Savings on transport budget £k	-	-	-	-	-
Savings of placement budget £k	45	90	135	180	225

Total projected savings from Year 5 onwards

Transport = £368,000

Placements = £425,000

Total = £793,000