

# Cabinet

## Capital Programme – Re-purposing of facility at The Warwickshire Academy

18 March 2021

### Recommendation

That Cabinet approves the proposal to re-purpose the existing hydrotherapy pool at The Warwickshire Academy to a sports facility for use by the new school and approves the capital funding package agreed by Cabinet in January 2021 being utilised for this purpose.

### 1. Background

- 1.1 The SEND & Inclusion Change Programme is the agreed response to the financial risk surrounding delivery of the service. Financially speaking, the most significant project in the change programme is the establishment of the Warwickshire Academy. The new school will expand the local offer of specialist educational provision within the county. It will meet the needs of 80 learners with autism spectrum disorder and/or social, emotional and mental health needs, in year groups 5 to 14, once fully open.
- 1.2 It is also expected to save £1.757m annual revenue savings (comprising £1.268m from Dedicated Schools Grant revenue costs each year and a further £0.489m from SEN transport).
- 1.3 In January 2021, as part of a capital funding package, Cabinet approved £0.205m for repair and renewal of the hydrotherapy pool. The stated intention was to pass the facility to a neighbouring school for use, by moving an adjoining fence.
- 1.4 The cohort of children and young people to attend The Warwickshire Academy do not require a hydrotherapy pool.
- 1.5 The facility has not been used since the closure of the previous school in 2017. The facility is not under covenant (ie. There is a not a legal obligation to maintain the facility).

### 2. Factors for reconsideration

- 2.1 Since the submission of the Capital Funding paper to Cabinet, three factors have led to reconsideration of the business case for this part of the site.

- 2.2 First, the estimated cost for repair and renewal of the facility to ensure its compliance with the necessary regulations and that it remains fit for purpose has increased from £205k to £300k (excluding professional fees). The revised quotes include repair works to the facility as well as mechanical and electrical works. The quotes are subject to a value engineering exercise.
- 2.3 Second, the running costs for the facility have been confirmed at approximately £30k per year. This was not known at the time of purchase and has taken significant time to identify. This level of running costs make it financially unsustainable for the neighbouring school to take on.
- 2.4 Third, the proposed re-location of the fence (which is required to add the facility to the neighbouring school demise) restricts access to the overflow car park at the top of the site. Consultation with highways and planning has identified a requirement for additional car parking elsewhere on the site with significant financial implications (estimated at £430k).

### **3. Options appraisal**

- 3.1 Officers identified four options in reconsidering the business case:
1. Repair the pool, move the fence, and pass the running of the hydrotherapy pool to the neighbouring school
  2. Re-purpose the building as a sports facility and pass the ownership to The Warwickshire Academy (as part of the lease)
  3. Seek community use of the pool as a WCC asset
  4. Demolish the building and extend the green space for the school.
- 3.2 The table below shows the considerations in the options appraisal:

Option	Advantages	Disadvantages	Financial implications
1.Repair the pool, move the fence, and pass the running of the hydrotherapy pool to neighbouring school	<ul style="list-style-type: none"> <li>• Consistent with original business case</li> <li>• Makes available hydrotherapy pool facilities to approximately 22 children at neighbouring school and other community groups</li> </ul>	<ul style="list-style-type: none"> <li>• Running costs financially unsustainable for a school to take on (high heating and maintenance costs)</li> <li>• Additional capital funding may be requested</li> <li>• High unit cost per head for the additional facility</li> <li>• Additional car parking required on site (Note – hydrotherapy needs of children at neighbouring school are currently supported through increased temperature of their swimming pool)</li> </ul>	<ul style="list-style-type: none"> <li>• £300k repairs and renewal for compliance + fees</li> <li>• £30k per year running costs for the facility</li> <li>• Additional car parking required, estimated at a further £430k <b>(Total: £730k capital, £30k pa revenue)</b></li> </ul>
2. Re-purpose the building as a sports facility and pass the ownership to The Warwickshire Academy (as part of the lease)	<ul style="list-style-type: none"> <li>• Re-purposed as a sports facility next to the multi-use games area</li> <li>• Increased offer of sports and exercise opportunities will enhance health and wellbeing of learners</li> <li>• The school do not require a hydrotherapy pool</li> <li>• Reduced running costs (less heating) can be met by the school</li> </ul>	<ul style="list-style-type: none"> <li>• Children from neighbouring school and other community groups unable to access local hydrotherapy pool facilities</li> <li>• Increased stakeholder engagement required to explain changing use and removing a community facility</li> </ul>	<ul style="list-style-type: none"> <li>• Significantly reduced from pool options due to change in scope (e.g. roof made good, not required for high humidity levels)</li> <li>• £25K for infill and screed; up to £180k for repairs and re-purposing including contingency <b>(Total: up to £205k capital available )</b></li> </ul>
3.Seek community use of the pool as a WCC asset	<ul style="list-style-type: none"> <li>• Makes available hydrotherapy pool facilities to other stakeholders including community groups</li> </ul>	<ul style="list-style-type: none"> <li>• Significant unbudgeted running costs for WCC to take on (high heating and maintenance costs)</li> <li>• Additional cost and expense required to administer use by other groups</li> <li>• If kept within school demise, access to the facility would be limited to evenings and weekends for safeguarding reasons</li> <li>• If moved outside the school demise, additional car parking and a new access road would be required. The latter would add further cost and is unlikely to receive planning consent</li> <li>• Whilst interest from other stakeholders, no firm commitments in place.</li> </ul>	<ul style="list-style-type: none"> <li>• £300k repairs and renewal for compliance (Value Engineering to be completed)</li> <li>• £30k per year running costs for the facility</li> <li>• Further administrative costs would be incurred</li> <li>• Possible additional costs to develop access (uncosted) and car parking (£430k) <b>(Total: Minimum £300k capital, minimum £30k pa revenue)</b></li> </ul>
4.Demolish the building and extend the green space for the school.	<ul style="list-style-type: none"> <li>• Land to be part of school playing fields</li> <li>• No continued running costs</li> </ul>	<ul style="list-style-type: none"> <li>• Change from original business case</li> <li>• Reduction in available facilities to the school and community (and associated reputational risk)</li> <li>• Carbon emissions from demolishing buildings</li> </ul>	<ul style="list-style-type: none"> <li>• £65k <b>(Total: £65k capital)</b></li> </ul>

## 4. Conclusions

- 4.1 Based on the options appraisal above, option 2 is recommended: Re-purpose the building as a sports facility and pass the ownership to The Warwickshire Academy (as part of the lease). This will enhance the offer of the school and contribute to improving the health and wellbeing of their learners. This is also considered the best value for money.
- 4.2 Discussions have taken place with the neighbouring school and the Warwickshire Academy prior to the options appraisal.

## 5. Financial Implications

- 5.1 Financial implications are set out in the options appraisal above. Options 2 and 4 are within the capital funding already allocated.

## 6. Environmental Implications

- 6.1 Option 2 is considered the most advantageous option from an environmental perspective, as the building is re-purposed to a facility with lower heating costs and no implications for car parking and access. Options 1 and 3 involve high levels of heating of the hydrotherapy pool (the level of heating must be maintained) and creating car parking spaces on current green space at the front of the site. Option 4 involves demolition and release of carbon emissions.

## 7. Timescales associated with the decision and next steps

- 7.1 Decisions on planning consent for developments on the site are scheduled to be made at Regulatory Committee.

### Background Papers

None

### Supporting Paper

Capital Investment Fund Q4 2020/21, Cabinet, 28 January 2021

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillors Dahmash, P. Williams, C. Davies, Chilvers and Skinner