

# Nottingham City Council Delegated Decision



Reference Number:

5143

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Department:

People

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Subject:

Relocating Hospital, Home Education Learning Centre (HHELC) to the NGY building at 29/31 Castlegate, as a permanent site

Total Value:

£715,000 (Type: Capital)

Decision Being Taken:

1. To approve a total of £715,000 of secured High Needs capital funding to undertake adaptations to the NGY building on Castlegate, to ensure appropriate condition and suitability for the proposed incoming service. £580,000 of this sum is for reconfiguring the building including a 10% contingency and an allowance of £30,000 for any necessary external legal involvement in finalising the construction contract. Based on the 2022 Condition Survey of the building there is a further £135,000 required to deal with condition issues identified and to be undertaken by 2024/25. The majority of these works are related to the fabric of the building. This proposal is required for HHELC to secure a suitable permanent base which meets the needs of the service and the vulnerable young people it provides vital support to.
2. To authorise the procurement of the contractor and the preparation of the necessary contracts to carry out the works and to delegate authority to the Corporate Director for Children and Education Services, in consultation with Legal Services, to award the procured contracts complying with both the Council Constitution and the Public Contract Regulations.
3. To note that the spend has been approved by the Section 151 Officer.

Hospital Home Education Learning Centre (HHELC) is a council run Pupil Referral Unit. HHELC runs as a multisite provision providing education for children who are unable to attend school for health or other reasons, including those who have been hospitalised, at the city's two main hospitals and psychiatric satellite sites.

In recent years, as HHELC has adapted and grown to meet the needs of the City and the Council's statutory duties, it is vital that they secure a suitable permanent site. Local Authorities (LAs) are responsible under Section 19 of the Education Act 1996 and Equality Act 2010 for arranging suitable full-time education for children who because of illness or other reasons would not receive suitable education without such provision. Nottingham City Council fulfils this statutory duty through HHELC. These vulnerable young people have significant and complex anxiety and mental health challenges and there is a growing need within the city. Two other significant pathways/provisions run by HHELC, which are the subject of this proposal, are temporarily located at Castle Road / Maid Marian Way (MMW) - one, the 'Secondary Pathway' offering provision for children and young people with mental health issues, and the other is the 'Nottingham Education Sanctuary Team' (NEST). These two pathways accommodate approximately 120 pupils in total in the existing building and which can also be accommodated in the new proposed building:

1) Secondary Pathways is a small group provision for students aged 11-16 who have significant school-based anxiety. The aim is to support the young people back into full-time education, college courses, apprenticeships or other provisions suitable to their needs. Students follow bespoke timetables with allowances made for any identified needs, such as movement breaks, timeout and specialist equipment.

2) NEST is a specialist full-time educational provision for 15-19 year old newly arrived asylum seekers and refugees who are new to English, many have no previous formal educational experience and no literacy in first language. The curriculum selected for the students is based on a comprehensive initial assessment and tailored to their individual learning needs. One of the core aims is to prepare them to achieve qualifications at Entry Levels in Functional Skills Maths, Functional Skills ICT and English in the form of ESOL Skills for Life.

For various reasons, outlined further in this report, HHELC have been based in temporary accommodation for many years and are currently temporarily located at Castle Road / Maid Marian Way (MMW). A permanent base for this vital service is now required. The newly vacant, Council owned NGY building on Castle Gate has been identified as a suitable permanent site for HHELC. This proposal has the support of the Education provider (HHELC), the Council's Education and Property Departments, Corporate Leadership Team and Capital Board.

This proposal seeks to secure a permanent site for the bulk of HHELC's delivery, but increasing numbers of children unable to attend mainstream school due to their mental health and an increase in the number of children arriving in Nottingham from other countries means additional provision for either the Secondary Pathway or NEST may need to be sought in the future. This would likely be another satellite provision similar to their current primary and hospital based sites.

High Needs capital funding approval is required to enable a contractor to assess and undertake the adaptations required for HHELC to secure the 'NGY building' at 29/31 Castlegate, Nottingham NG1 7AR, as a permanent site. The current lease for HHELC's part-occupation of the Castle Road / Maid Marian Way site is in the process of being extended to 31st December 2024, when the Bluecoat Aspley Academy (run by the Archway Learning Trust) who are also temporarily based there, will now vacate the site.

**This site was always intended as a temporary location for both education provisions, as it links to the overall Broadmarsh master development plan. The Council's Property Department have confirmed that the intention is for the Castle Road / MMW site to be put to the market or sold to a developer partner on the wider Broadmarsh site.**

**HHELC are now in their second temporary home since the closure of Thorneywood Education base in 2019, which was prompted by the relocation of services when the new Hopewood Nottingham Childrens Hospital School opened in Sherwood, which is a purpose built facility offering education to children and young people in collaboration with Child and Adolescent Mental Health Services (CAHMS). There was no longer a requirement for the Thorneywood site as most of the services were relocated. Property team have confirmed that the site will be marketed for sale as soon as the due diligence work is complete.**

**After that, the NEST provision was incorporated within the HHELC service and the initial temporary move to the College Street site was an effective temporary use of the site agreed in liaison with Property team. It was a mutually beneficial solution, using Delegated Schools Grant funding to bring in rental income for a building that would have otherwise been empty, while a more suitable permanent site was sought for the growing HHELC service. The College Street move was always planned to be temporary only, until the site was to be marketed for sale. Property team have confirmed the intention to sell this site as soon as issues with the legal title are resolved.**

**The location, size, layout and design of the NGY building would provide an ideal permanent base for HHELC, accommodating approximately 120 pupils. This building is owned by the Council and is now vacant and available, since the Youth Justice Service have recently vacated. The young people who attend the HHELC provision live all over the city therefore a city centre site is ideal in terms of accessibility and shorter travel times, with it being one bus ride for most pupils. Longer travel times would be a further barrier for the pupils attending, many who have significant and complex anxiety and mental health challenges. Independently travelling in on public transport to an easily accessible central location is a vital part of these pupils' development. While based at Castle Road, the service has seen a large increase in the pupils independently travelling to school, which is huge progress for many.**

**A city centre location also supports with limiting the LA's transport costs, which we must legally fund for pupils living 3+ miles away or for some pupils who live closer if they have a significant Special Educational Need which qualifies for funded transport, of which many of these pupils do.**

**The design and layout of the building over 4/5 floors would actually work well for the service, allowing them to separate areas for delivery to different vulnerable groups with varying challenges. Effective use of the multiple smaller spaces would enable the service to support pupils' social, emotional and education needs, while working to re-integrate those young people with anxiety and mental health related issues. The space and existing facilities, will also enable HHELC to offer a wider Preparation for Adulthood curriculum. The service are keen to develop the existing cafe area into a life skill/ enterprise area, which will be a huge asset to the educational experience. The outdoor courtyard area would be beneficial and sufficient for pupils to use at break times. The school offers core subjects only, which doesn't include PE therefore they don't need access to a larger outdoor area.**

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**Should the NGY building not be secured for this service, an alternative site would need to be identified and it is likely that there would be a more significant capital cost to the Council which could include both purchase and build costs. The cost would also be significantly in excess of the estimated sale value of the NGY property, as detailed in the Property comments.**

**On approval of this capital funding, a contractor can be appointed to proceed with surveys and undertaking the necessary works, to enable the relocation as soon as possible and a project timeline to be established. For the period that HHELC remain at MMW beyond 31st Dec 2024, a full assessment of risks and costs (including security and utilities), will need to be established as soon as possible, while also identifying a budget for this.**

**The Major Projects team will be engaged to deliver the project. The team have considerable experience in delivering projects within the school environment and fully understand the demands of managing the works.**

**NCC Property have advised that, given the age of the building (circa 1800), the occupier should budget for enhanced running/ maintenance costs/carbon emissions over a modern equivalent building. Contribution to a sinking fund of £30,000 per annum has previously been recommended by Building Services. The School have confirmed their support for this and that it is manageable within their revenue budget.**

**The associated spend for this decision has been approved by the Section 151 Officer through the Spend Control process (Reference 5322)**

**Other Options Considered:**

A best value options appraisal has been undertaken with Education Leadership Team, and the Property and Major Projects teams, to review any other possible sites and the NGY building is the best option - based on location, size, configuration, cost, appropriate educational delivery to meet the needs of the service, and facilities. This is included in Appendix 1.

Risks of not investing the funds to improve and adapt the building: we will be unable to meet the needs of the vulnerable young people using the service. Additionally, without this investment, there will be an increase in revenue costs as the number of expensive out-of-city placements increases. Unless an alternative site is identified, which is likely to be at a significantly greater capital funding cost.

**Background Papers:**

**Unpublished background papers:**

App 1 - Options appraisal HHELC relocation - CLT 11.6.24.docx

**Published Works:**

**Affected Wards:**

Citywide

**Colleague / Councillor Interests:**

**Consultations:**

Cllr Barnard is in support of the proposal, as briefed on 4.6.24 and is also the decision maker in this report.

**Crime and Disorder Implications:**

None

**Equality:**

Please login to the system to view the EIA document: EIA - HHELC relocation - final.docx

**Relates to Council Property Assets:**

Yes

**Relates to Building Services:**

Yes

Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	15/07/2024
Advice Sought:	Legal, Finance, Procurement, Equality and Diversity, Property, Building Services
Commissioner Comments:	They have noted the contents and are content for this to proceed.

**Legal Advice:**

This report seeks authority for the use of £715,000 of High Needs Capital Funding to assess and then undertake adaptations required for the Council owned NGY building Castle Gate. This will, in turn, allow two elements of the HHELC provision, namely 'Secondary Pathway' and 'Nottingham Education Sanctuary Team', to operate from the adapted NGY building.

HHELC is a council run Pupil Referral Unit. The operation of HHELC allows the Council to meet the duty imposed by s19 Education Act 1996 to make arrangements for the provision of suitable education at school or otherwise than at school for those children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless such arrangements are made for them.

In using High Needs Capital funding as proposed, the Council must ensure it meets the obligations and requirements of the High Needs Capital Fund. Further, it must ensure such obligations and requirements are cascaded to recipients of that funding, including contractors, through appropriate agreements to mitigate as far as possible, the risk of clawback of funds from the Council. As well as complying with the conditions of the High Needs Capital Fund, the Council must continue to comply with its own constitution, in particular the Contract Procedure Rules, in the use of funding.

In adapting the Council owned building, it is understood that this presents best value for the Council and, in particular, allows the Council to have in use a Council asset that remains a Council asset for potential future alternative use, if the circumstances deem that appropriate.

The sum of £715,000 includes a sum for using external legal advisers to prepare the necessary construction contracts, in the absence of construction expertise within Legal Services. The notional sum of £30,000 for legal fees seems a reasonable estimate of costs on the information known at present.

Legal Services are happy to support in what ways they can in engaging external legal advisers and generally to support this project.

Anthony Heath, Senior Solicitor, Contracts and Commercial, 19th April 2024.

**Finance Advice:**

The capital value of this decision includes the maintenance backlog. The project manager is required to ensure this maintenance activity is required to bring the asset into use and is not revenue maintenance. Any revenue maintenance as part of this project does not meet the capital grant conditions.

The capital works within this decision are to be funded from secured Higher Needs Grant. The uncommitted balance of Higher Needs Grant is carried forward with the 'Planned Section' of the approved Capital Programme. Following formal approval of this project the amount of this decision will move from the Planned Section into Approved, therefore, the total value of the Capital Budget will not change.

Due to HHELC being classed as a maintained school it will be required to fund on-going maintenance of the site and as for all maintained school sites the Council priorities Capital School Condition Funding. Once operational this site will fall within this process.

Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 21/06/2024.

**Procurement Advice:**

From speaking to the client, I understand that it is proposed to use Third Party Framework Agreements to carry out the works and to provide ongoing technical support for the project. Procurement will work with the client to source fully compliant Framework Agreements in line with Public Contract Regulations and therefore the proposal poses no procurement issues, however care should be taken to ensure compliance with the terms set out within the relevant Framework Agreements.

Comments from Sue Oliver - Procurement Category Manager for Places 21/06/2024.

Advice provided by Sue Oliver (Category Manager - Procurement) on 21/06/2024.

**Building Services Advice:**

This project is supported on the understanding that we will receive the electronic version of the Health and Safety File, commissioning certification (if applicable) and O&M manuals (if applicable) etc once the project is completed. Advice provided by Trevor Bone (Property Maintenance Manager) on 17/06/2024.

**Property Advice:**

**HHELC/NEST ("the occupier") has set out their detailed property requirements to Strategic Asset Management (SAM) which, in conjunction with Major Projects, we have interpreted to equate to circa 1000sq metres of space, in a central City location for good access for students, including a small requirement for outside space.**

**The preferred property is at 29/31 Castlegate, Nottingham NG1 7AR, which comprises of circa 944sq metres arranged over basement, ground, first, second and third floors. The "habitable" basement space comprises circa 100 sq metres of space, which is slightly compromised in terms of floor to ceiling heights in parts and has no natural light, although is serviced by 1 No. passenger lift, as are all other floors of the building. The building is a "Georgian" Grade II listed former office building which was acquired and fitted out by the Council in 2009 with funding from the Big Lottery Fund for provision of Youth Services to the City. The third sector occupier moved out at 31/3/2024 and the building is now vacant.**

**SAM are of the opinion that this broadly fits the occupier's brief, however the nature of the accommodation over 4 floors (with a compromised basement space) means the space would be inefficient in general terms for most occupiers, however it is noted that the nature of the users proposed this is considered to be of benefit to the occupier. Notwithstanding this, the space is unlikely to allow for any future expansion space in the medium to long term. The preferred property has yet to have any feasibility studies or due diligence undertaken, therefore SAM cannot comment on detailed suitability in terms of layout and or statutory consents (planning, highways, detailed design, toilet provisions, risk assessments etc), it is assumed that this will be fully explored and resolved if the project proceeds. In summary, based on the analysis to date we are satisfied that the preferred property would provide a solution for an urgent relocation of the occupier.**

**The preferred property has a restriction on use due to the funding from the Big Lottery Fund. SAM are in dialogue with DCMS who have confirmed (by email) that they have no objection to the proposed use of the occupier. This will need to be formalised in due course. These restrictions last for 20 years (from 2009) and should the building be sold now the Council will need to "pay away" circa 25% of the sales proceeds to DCMS for redeployment into Youth provisions in the City. The relocation of the occupier to the preferred property for 5 years plus would effectively remove the "pay away/clawback" provision for a future sale post 2029.**

**The occupier currently resides at the Castle Road/Maid Marian Way site, which is shared with the Bluecoat Academy, and is owned freehold by the Council. The Bluecoat Academy will be relocating from the site around the autumn/winter of 2024 and as the occupier benefits from conjoined building services (electricity, heating, water, IT) they will be unable to remain in their current accommodation beyond 2024 as the wider site is decommissioned. Furthermore, it is understood that the Council are in advance talks with Homes England to promote the site for redevelopment as part of the Broadmarsh masterplan. With this in mind the property supply options are now limited, and we consider the preferred property or the former site occupied at College Street are the only likely viable options that are deployable within the next 12 month period.**

**Based on limited investigations/feasibility work undertaken to date and the compressed time window that a decision is required within, it has not been possible to undertake a detailed property option appraisal. However, based on an outline appraisal, SAM are satisfied that a relocation to the subject property will represent the lowest likely cost for the Council over the 5-10 year time horizon.**

**Richard Hawkes, Interim Strategic Asset Manager, 15 May 2024**



**Equality and Diversity  
Advice:**

**The EIA has been reviewed. There are no negative impacts to any of the protected characteristics. I am therefore happy to sign off.  
Advice provided by Rosey Donovan (Equality and Employability Consultant) on 21/06/2024.**

**Signatures**

<b>Cheryl Barnard (Exec Member - Children, Young People, Education)</b>
<b>SIGNED and Dated: 08/07/2024</b>
<b>Ailsa Barr (Interim CD Children and Education)</b>
<b>SIGNED and Dated: 04/07/2024</b>