

Executive Decision Report

Refurbishment of Pindar Road Day Nursery for Children with Disabilities and Increasing the number of School Placements for children with Special Educational Needs - Netherhall/Pindar temporary placement

Leam Member: Assistant City Mayor Education and
Housing

Lead Director: Tracie Rees

Date: 29 November 2021

Useful information

- Ward(s) affected: all
- Report author: Sophie Maltby, Head of Service- SEND Support
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- Report version number: v5

1 Purpose

- 1.1 To seek Executive approval to release capital monies from the policy provision allocated for refurbishing the Pindar Road Day Nursery, which is located at New Parks House. The cost of the refurbishment is £895,000.

2 Summary

- 2.1 The Pindar Road Day Nursery provides part-time specialist support for up to 34 children between the age of 2 and 5 years with complex Special Educational Needs and Disabilities (SEND) and forms part of the City Council's Special Education provision.
- 2.2 The service is housed in the Early Years Support Centre at New Parks House, Pindar Road which is also where the SEND teams are situated. This co-location supports the assessment and case planning for this group of children from the outset.
- 2.3 Before consideration was given to refurbishing the nursery, an options appraisal was completed in March 2020 to determine if the nursery was financially viable or should be outsourced. The appraisal showed that the nursery provision was cost effective and should be retained in house. See Appendix 3.
- 2.4 The refurbishment will include:
- Pindar refurbishment- redecorating teaching spaces, improvement to the external areas and playground, additional storage, a new entrance, and communal areas, creating a secure line from the main New Parks House office space.
 - Office refurbishment in the main New Parks House building for staff displaced by the nursery refurbishment.
- A detailed overview of the required work is included at Appendix 1.
- 2.5 A Lead Member decision was made in June 2021, to undertake some alteration/refurbishment work at New Parks House (adjacent to Pindar Nursery) to temporarily accommodate a group of pupils from Netherhall Special School. The costs for this work are £92,078. The majority of this work will eventually form part of the refurbished Pindar Nursery and therefore Costs of £74,441 have already been spent. This will also save 4 weeks on the main Pindar Nursery project.

3 Recommendations

- 3.1 To approve the funding of £895,000 from the capital programme new school places policy provision to refurbish the Pindar Nursery.

4 Report/Background Information

Pindar Nursery Refurbishment

- 4.1 All the children attending the nursery attend on a part-time basis with approximately half attending other nursery placements with a range of mainstream providers. The nursery encourages dual placements, because it gives the children the opportunity to interact with their peers as a means of stimulating intellectual development.
- 4.2 The service has been rated as 'Outstanding' by OFSTED since 2008, and there is a waiting list for places.
- 4.3 The current building is not suitable for the provision as it stands and there is a need to create different spaces for storage and to divide the nursery off from other staff who currently use the nursery corridors to access their offices. However, despite these difficulties there are clear benefits of the co-location with the wider SEND services.
- 4.4 Appendix 2 provides an overview of proposed layout changes.

Netherhall/Pindar Group

- 4.5 Due to the Covid pandemic there has been a delay to the opening of additional special school places at Netherhall and Ellesmere special schools. As a result of this delay schools across the city have been supported to maintain placements for children and young people until the expansion places are ready in Spring 2022.
- 4.6 However, there remained a small group (6-8 children, aged between 4 and 6 years), for whom it was not possible to remain in their current educational setting in the Autumn Term of 2021. These pupils were all attending an Early Year's settings and will have Netherhall Special School named on their plans from August 2021.
- 4.7 A Lead Member decision was made in June 2021 agreeing to the temporary change of use of 4 rooms at the end of a corridor which adjoin the Pindar Nursery; to accommodate a group of Netherhall Special School pupils until the delayed building works are completed and the pupils can move to the main Netherhall site. These rooms at New Park House will eventually form part of the refurbished Nursery facility but are currently office accommodation.
- 4.8 The costs of the works to refurbish the rooms for this group are £92,078. However, of these costs £74,441 will contribute to the main building works, this work will also reduce the main nursery refurbishment timeline from 26 to 22 weeks. This figure includes a 10% contingency, tender price inflation 1.5%, building cost indices, professional EBS fees and building partner costs.

- 4.8 The decision to undertake this work to accommodate the Netherhall Pupils was critical as we have a statutory duty to provide full time education for these pupils the risks of not undertaking this work were significant:
- there were no other suitable buildings available to accommodate these pupils
 - high probability of tribunals and legal action against the council if full time education was not provided
 - significant public interest
 - potential reputational damage to the council

5. Details of Scrutiny

6. Financial, legal and other implications

6.1 Financial implications

- 6.11 The report proposes to commit £895k from the capital programme policy provision for new schools places. This will enable works to be completed at Pindar Nursery to support SEND places.
Martin Judson, Head of Finance

6.2 Legal implications

Legal and procurement teams should be consulted at an early stage in relation to the procurement of a building contractor and a relevant contract being put in place for the works, in accordance with the Councils Contract Procedure Rules and Public Contract Regulations.

Shireen Eliyas, Lawyer ext 4479

6.3 Climate Change and Carbon Reduction implications

Buildings are a major source of carbon emissions in Leicester. Following the city council's declaration of a Climate Emergency in 2019, and it's aim to achieve carbon neutrality, addressing emissions from buildings is vital. This is particularly important within the council's own buildings, where it has the greatest level of control.

As part of work to refurbish buildings, opportunities to improve energy efficiency and carbon reductions should be considered where possible. This could include fitting insulation, energy efficient heating and low energy lighting as appropriate, as it is generally most cost effective and convenient to carry out these improvements alongside other capital works.

Aidan Davis, Sustainability Officer, Ext 37 2284

6.4 Equality Impact Assessment

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The recommendation to approve funding to refurbish the Pindar Nursery is likely to have a positive impact overall and is also likely to have a specific positive impact in relation to advancing equality of opportunity for those with the protected characteristic of disability and age. It is important that accessible design principles are adhered to. In relation to any improvement works.

Surinder Singh, Equalities Officer ext. 37 4148

6.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

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6. Background information and other papers:

Options Appraisal 2020.

7. Summary of appendices:

- Appendix 1: Specification and costs
- Appendix 2: Proposed layout changes
- Appendix 3: Options Appraisal 2020

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

Appendix 1: Specification and Costs

LCC EBS MAJOR CAPITAL PROJECTS
COST & COMMERCIAL TEAM
SUMMARY REPORT
PROJECT: PINDAR NURSERY 90967
24/06/2021



TPM : TBC
APM : Alex Bevan
QS : Gleeds - Pre Contract
REFERENCE DOCUMENT : Gleeds Cost Plan (2) Nov 2020 Option 2

COST

GLEEDS COST PLAN	Original 20 weeks	LCC Phased 26 Weeks	Gleeds-MJE 22 Weeks	MJE- Minor works
Building Works Estimate	£ 460,205	£ 460,205	£ 396,105	£ 74,441
Contractor Preliminaries	£ 150,000	£ 195,000	£ 175,000	Incl
Contractor OH&P	£ 30,510	£ 32,760	£ 28,555	Incl
PV Panels		£ 30,500	£ 30,500	Excl
Comms	Excl	£ 500	£ 500	Excl
Surveys	Excl	£ 12,000	£ 12,000	Excl
Professional fees (Ext Consultants & EBS)	Excl	£ 64,210	£ 64,210	£ 6,227
Statutory fees and charges	Excl	£ 3,000	£ 3,000	Excl
Design Risk @ 2.5%	£ 16,018	£ 17,199	£ 14,992	£ 1,861
Construction Risk @ 2.5%	£ 16,018	£ 17,199	£ 14,992	£ 1,861
Employers Change Risk @ 2.5%	£ 16,018	£ 17,199	£ 14,992	£ 1,861
Employers Other Risk @ 2.5%	£ 16,018	£ 17,199	£ 14,992	£ 1,861
Tender Price Inflation (TPI) @ 1.5%*	£ 10,572	£ 11,351 *	£ 9,894 *	£ 1,322
Building Cost Indices (BCI) @ 3%**	Excl	£ 22,703 **	£ 19,789 **	£ 2,643
Sundries (£) (Business Partner @ £250/month)		£ 3,000	£ 3,000	Excl
	£ 715,359	£ 904,026	A £ 802,519	B £ 92,078
				A+B £ 894,597

GENERAL NOTES

- 1 Building Works in Gleeds Cost Plan (2) Nov 2020 remain unchanged with the exception of deducting MJE works quotation.
- 2 Original construction programme based on 20 weeks with no phasing; vacant building possession; normal working hours.
- 3 Proposed construction programme, to be phased as advised by LCC Client on 02.02.2021.
- 4 Phasing the project may risk the Building Works costs increasing contained in Gleeds Cost Plan.
- 5 LCC Client has not provided a project construction phasing plan for this exercise.
- 6 Potential Asbestos Removal works may dictate whether these works can be phased and if children & staff can remain in-situ.
- 7 MJE Quotation (not dated) rates deemed to include preliminaries, overheads & profit.
- 8 EBS deducted the nett MJE works quote from the previous Gleeds Phased cost above.
- 9 MJE External works package option 1 included in the £64,100.

Appendix 2: Feasibility Report (Proposed Layout Changes)



LMB Decision Report

Future of Pindar Nursery

Decision to be taken by: Cllr Cutkelvin

Decision to be taken on: insert date here

Lead director: Richard Sword

Useful information

- Ward(s) affected: All
- Report author: Natalia-Ellen Atkiss
- Author contact details: natalia-ellen.atkiss@leicester.gov.uk
- Report version number: V5

1. Summary

- 1.1 The purpose of this report is to brief the LM on the long-term viability of Pindar Nursery (PN) and to provide options for the future delivery of pre-school services to children with Special Educational Needs and Disabilities (SEND).
- 1.2 The nursery currently provides for 34 children who use the provision on a part time basis at a cost of £363,885 met through a combination of FEE and Higher Needs Block (HNB).
- 1.3 An options appraisal details the opportunities for the provision going forward:
 - Outsourcing the provision on block to an external nursery provider
 - Outsourcing the provision through a direct payment, allowing parents to source their own placements from the market and topping up with the direct payment
 - Retaining the service in house
- 1.4 The report weighs up the potential risks and benefits to these options, recommending that the service is retained in house. Consideration is then given to whether to update the existing building or move to an alternative site with key costs and risks outlined. It is recommended that provision is retained on the existing site.

2. Recommendations

- 2.1 Due to the lack of significant benefits likely to be realised through outsourcing provision, along with the potential negative impacts, it is recommended that the service be retained in-house.
- 2.2 Due to the potential for the existing building to be made suitable for the cohort using the nursery, along with the potential negative impacts of separating the nursery provision from the expertise of other professionals currently on site, it is recommended that the service be retained at New Parks House.

3. Supporting information:

Current Service

- 3.1 Pindar Nursery (PN) is a Special Needs Nursery that is part of Leicester City's Special Education Provision. The Nursery provides an educational placement for children with the most complex special educational needs. The nursery caters for children between the ages of 2 and 5 years whose individual needs encompass the whole range of special needs.
- 3.2 All the children that attend the Nursery attend on a part-time basis with approximately half in dual placements with other nursery providers. The nursery encourages dual placements as the staff can provide a range of support and training to mainstream nursery settings, providing an opportunity for children to meet their peers and try mainstream provision prior to school. A waiting list is in place for the provision and demand outstrips supply. Demand for places at PN outstrips supply and some parents are encouraged to reapply for a place at future panel meetings.
- 3.3 The service is housed in the Early Years Support Centre, New Parks House, Pindar Road which is also where the SEND services team are situated. This co-location supports the assessment and case planning required for children with the most complex needs from the outset.
- 3.4 The service currently has 34 pupils. The majority of the nursery students are Foundation 2 (4 -5yr old) pupils as there is a shortage of places across the schools. Therefore, PN has limited capacity to meet the needs of stage 0 (2-year olds) and Foundation 1 (3-4-year olds).
- 3.5 PN service costs are £363,885 which is funded through FEE (£48,000) and topped up with higher needs block funding (£315,285). The majority of this cost (£330k) is due to the staffing budget, supporting 8.4 FTE's (a combination of teachers and Teaching assistants) Bringing children with the most complex, high level needs together into one provision enables the service to offer specialist support and facilities that would not be viable if distributed across establishments.
- 3.6 Current placement information including, service user's needs, staffing and costing can be found in appendix A, B, C and D.

Drivers for change

- 3.7 The service has been in place for some time but has adapted to fill the gaps of the wider system. In recent years, this has meant that the nursery has increasingly filled the gaps in the school system at F2 for those with the most complex needs. This has resulted in reduced provision at F1 and 0. This position is predicted to change as demand for primary school places reduces in line with projections.
- 3.8 The current building is not suitable for the provision as it stands with a need to create different spaces for storage and direct work and to divide the nursery off from other staff who currently use the nursery corridors to access their offices.
- 3.9 A review of the provision is required to ensure the current delivery model is fit for purpose and offers best value.

Potential delivery models

- 3.10 Given the need for the LA to offer sufficient childcare places, there are three potential delivery models to available:
1. Outsourcing on bulk
 2. Outsourcing via a direct payment (through an assessed personal budget)
 3. Continuation of provision in house
- 3.11 Outsourcing on bulk is possible but due to the TUPE liabilities, it is unlikely that significant savings will be realised. Staff will likely transfer on existing terms and conditions, including pension rights and entitlements and the LA would need to fund this in order to source a viable provider to deliver the service. With no savings to be made on staffing costs, there is little likelihood of the LA achieving a lower cost with increased risks of a loss of flexibility over the provision e.g. to meet changing needs and demands.
- 3.12 The option for outsourcing via a direct payment would be subject to consultation with parents and carers and would likely be an unpopular model. It is likely that provision sourced directly by parents would be spread over a number of different nursery providers and the specialism of staff and equipment would be lost. It is possible that this would result in more breakdowns in placements or barriers to accessing provision in the first place for parents and potential for the LA to fail in its sufficiency duty. It is possible that poor experiences in mainstream early years provision would affect readiness for school and children's ability to thrive in a mainstream school setting. Dependent on the level of payment offered through a direct payment, it is possible that this option may bring some savings.
- 3.13 The option of continuing provision in house provides no savings but does offer a flexible and highly specialised service that also brings a positive impact on mainstream nursery placements for children. Given the lack of savings potential in option 1 and the high level of risk and impact in option 2, it is recommended that the service be retained in house.
- 3.14 A full options appraisal is noted in appendix A.

Location of the provision

- 3.15 With the recommendation to retain the provision in house, there is a need to address the issues with the current building. The two options for doing this are to move to an alternative site or continue at New Parks House with some adjustments to the current building.
- 3.16 The projected cost of moving to an alternative site (Armada Centre) and making good New Parks House for future alternative use are approx. £1million. This option brings the negative impact of removing provision from the expert staffing groups involved in assessing and supporting these children and young people. The integration of provision for those with the highest level of need brings significant benefit which would be reduced or lost with the move.

- 3.17 The projected cost of retaining the provision at New Parks House with changes to the building are £633,496. It is likely that the existing building can be made suitable for provision going forward with the costed changes.
- 3.18 Given the costs, risks and benefits of the options above, it is recommended that the provision be retained at New Parks House and that a capital proposal be submitted for consideration.

6.Summary of appendices:

Appendix A – Options appraisal

Appendix B – Demographics of PN Service Users

Appendix C – Staffing overview

Appendix D – Costing and funding of places

Appendix E – Costing – Pindar Nursery cost vs Oakland & Millgate cost

Appendix A – Options Appraisal

Option	Opportunities/Strengths	Risks/Weaknesses
1. Outsource the provision on bulk	<ul style="list-style-type: none"> ✓ Maintains service which families have stated is important for those with significant health needs. Would be less disruption for parents and children than the DP option ✓ Potential to maintain specialism of staff and equipment within a service ✓ Staff are likely to transfer to the new service thus decreasing some family and service user anxieties ✓ Unlikely to result in immediate redundancies for staff ✓ Opportunity to co-produce the contract and specification with families and service users 	<ul style="list-style-type: none"> • Staff are likely to be entitled to TUPE transfer which will affect the rate offered to the market. Unlikely to result in significant savings as the staffing costs would remain as now if TUPE occurred. Savings potential would be limited to building costs • Parents may be concerned by the transfer to an alternative provider • It may be difficult to find a single provider that could accommodate the whole cohort • Soft market research will need to be conducted to ensure there is an interested market • The timescales to procure a new service and complete reassessments of individuals accessing the service would be approximately 18 months • Dependant on commitment and capacity from commissioning and the service areas to support the procurement and engagement with parents • Likely loss of flexibility of provision to meet new/emerging need. Renegotiation of contract likely to agree any changes required and provider may have opportunity to refuse

Option	Opportunities/Strengths	Risks/Weaknesses
2. Outsource provision via a direct payment	<ul style="list-style-type: none"> ✓ May produce some cost savings dependant on amount offered through DP 	<ul style="list-style-type: none"> • Likely to be highly unpopular with parents • Likely to result in staff redundancies • Likely loss of flexibility of provision – very little influence the LA will have over a range of external providers • Market may not respond to parents need resulting in either less effective provision or no provision at all – may not meet sufficiency duty • Potentially worse outcomes for children, including a reduction in readiness for school • F2 placements currently provided by Pindar, likely to result in school pressures if provision is removed • School placements generally cost more (see appendix D)
3. Retain the service in-house	<ul style="list-style-type: none"> ✓ Current provision is rated outstanding by Ofsted ✓ No disruption to current arrangements for service users and families ✓ No redundancies and associated costs ✓ Retains ability utilise support from wider SEND support services/team ✓ As depicted in appendix D this current placement costs considerably less than mainstream school placements where many F2 students may choose to go 	<ul style="list-style-type: none"> • Reduces available occupation space • Mixing service and office provision • Further analysis on nursery outdoor space including, covered entry point will need to be undertaken • Political risk of Armadale remaining vacant • Refurbishing Nursery while in use • Short timeline • Refurbishment of New Parks House, to allow Pindar Nursery to remain has been estimated at £633,496.42

Appendix B – Overview examples of service users' needs

- 34 service users currently access PN for nursery care provision.
- 3 service users are within Foundation 0 (2 – 3 years)
- 11 service users are within Foundation 1 (3 – 4 years)
- 20 service users are within Foundation 2 (4 – 5 years)
- 28 service users have an EHC plan in place and 3 are currently undergoing statutory assessment
- The majority of service users speak English, but many are bilingual and speak an additional language (Sawahili, Turkish)
- Children have a range of complex needs including, autism, communication conditions, physical and medical conditions. Several children are wheelchair bound or have restricted mobility requiring specialist seating with additional medical requirements including, being tube fed.
- The below table provides a sample of the primary needs some children who attend PN have.

286970		0	N	E	ASD (Diagnosed)	27/06/18	Pindar Nursery	Leicester City
305002		0	N	E	Language Delay	09/07/18	Pindar Nursery	Leicester City
309646		0	N	E		20/03/19	Pindar Nursery	Leicester City
292406	H856232 019043	0	N	E	ASD (Diagnosed)	28/02/19	Pindar Nursery	Leicester City
271112		0	N	E	Profound & Multiple Learn Diff	15/01/18	Pindar Nursery	Leicester City
311819		-1	N	E	Language Delay	04/01/19	Pindar Nursery	Leicester City
286933		0	N	E	General Learning Difficulties	13/08/19	Pindar Nursery	Leicester City



City Mayor

Appendix C – Staffing overview

There are currently 13 staff members who operate Pindar Nursery:

- 1 Senior Teacher and 1 teacher equating to 2.0 FTEs
- 9 Teaching assistants equating to 5.31 FTEs (one which has recently left with a place now vacant being covered by agency staff)
- 1 premises officer to 0.50 FTEs (May change depending on changes to the building)
- 1 Admin & Business Support Officer to 0.59 FTE

Appendix D – Cost breakdown and funding

	Based on 2018/2019 actual	Based on 2019/20 projected
Gross costs	370,209	363,885
FEE	-69,047	-48,000
Miscellaneous	-1,524	-600
HNB Funding	-299,638	-315,285
Total	0	0
Places (FTE)	18	18
Cost / place based on HNB funding	16,647	17,516

Appendix E – Cost comparison of external provisions

Description	UOM	PINDAR	OAKLANDS	MILLGATE
2018/19 unit costs				
Non teaching costs				
Leadership cost	£/pupil		£2,584	£6,500
Other staff and non staffing costs	£/pupil		£4,798	£12,024
Transfers to capital	£/pupil		£0	£798
Total non-teaching	£/pupil		£7,382	£19,322
Teaching costs	£/pupil		£16,425	£20,084
Other income	£/pupil		£1,518	£1,378
Net Costs	£/pupil		£22,289	£38,028
Current net funding rate	£/pupil	£21,777	£23,529	£39,574