
Report To:	Education & Lifelong Learning Committee	Date: 19 January 2010
Report By:	Acting Director of Education	Report No: Educ/14/10/TR
Contact Officer:	Tom Reid	Contact No: 01475 712824
Subject:	Mearns Centre: Future Provision	

1.0 PURPOSE

- 1.1 The purpose of this paper is to seek Committee approval for the adaptation of St Laurence's Primary School to allow the relocation of the Mearns Centre which provides support for pupils with social, emotional and behavioural difficulties (SEBD) and provide additional office accommodation for the Council.

2.0 SUMMARY

- 2.1 At its meeting on 15 December 2009 the Policy and Resources Committee approved a paper on Office and Depot Rationalisation. The paper recommended that a further paper be taken to the Education and Lifelong Learning Committee with the purpose of relocating the Mearns Centre and providing additional office provision in St Laurence's Primary School.
- 2.2 The long term aim is to expand the number of places that the Mearns Centre provides from 12 pupils to 24 pupils. Currently some adaptations are being made to increase the capacity of the current building from 12 to 18 pupils to help in the delivery of a saving of £500,000 in 2010/11 from residential and day placement budgets net of £40000 to pay for the required additional teacher. Recent surveys of the current building, however, have shown it is in need of substantial refurbishment and is not conducive to a modern educational environment.
- 2.3 The current St Laurence's building will become available in Spring 2010, following the completion of All Saints Primary School. Recent surveys of the St Laurence's building have indicated that it could be modified and refurbished to provide the necessary accommodation to expand the Mearns Centre to 24 places at which time a further teacher will be required. The refurbished building would also be able to provide additional office accommodation with a capacity of around 100 desk spaces.
- 2.4 The cost for the refurbishment will be through prudential borrowing and these figures are attached in section 5.3.
- 2.5 In addition a working group comprising Education and Social Care staff are looking at the management structure and staffing arrangements for the expanded SEBD unit and a report will be brought to a future committee.

3.0 RECOMMENDATIONS

- 3.1 That the Committee agree to the creation of a 24 unit SEBD unit at St Laurence's Primary School.
- 3.2 That the Committee agree that £160,000 be vired from the Residential Schools and ASN placements budgets to part fund the capital investment required.

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- 3.3 That the Committee agree that the Mearns Centre will be surplus to Educational requirements following the creation of the unit at St Laurence's Primary School and remit consideration of its future to the Regeneration Committee.
- 3.4 That Committee agrees that consideration of the ownership of the St Laurence's building be transferred from Education Services to Property Resources & Facilities Management when the new All Saints Primary School opens in 2010.

Albert Henderson
Acting Director of Education

4.0 BACKGROUND

- 4.1 The Mearns Centre caters for pupils who have Social, Emotional and Behavioural Difficulties (SEBD) and is a joint project run by Education and Social Care.
- 4.2 The current roll has a maximum of 12 pupils and 3 teaching staff. At present there are also 5 Social Workers, 1 Youth Support worker and 2 Youth Support assistants based in the Mearns Centre. These staff are involved in a variety of activities including outreach and evening group work. A working group is currently looking at the management and staffing structure and a future report will be brought to committee.
- 4.3 The original short term plan for the Mearns Centre, as approved by the Education & Lifelong Learning Committee on 18 June 2008 was to provide short term provision in Highholm Primary School. The poor condition of Highholm Primary School means that this is no longer a viable option and minor adaptations are being progressed to allow the current Mearns Centre building to remain in use until the St Laurence's building can be refurbished.
- 4.4 On 15 December 2009 the Policy & Resources Committee approved a paper on Office and Depot rationalisation. The paper advised that a report was being prepared for this Committee recommending that St Laurence's should be refurbished to allow for the relocation of an expanded Mearns Centre (24 pupils) and to provide additional office provision.
- 4.5 Further discussion will take place with the Asset Management Team to identify the appropriate staff for the available accommodation.

5.0 OPTION APPRAISAL

- 5.1 There are four possible options to be considered regarding the long term future of the Mearns Centre.
 1. Status Quo – no change – number of pupils remains at 12 and work is limited to the essential electrical work.
 2. The current Mearns Centre is expanded to provide 24 places for pupils.
 3. St Laurence's Primary School is used to provide the expanded 24 place provision once it becomes available.
 4. All SEBD places are outsourced to external day or residential schools.

5.2 Evaluation of Options

There are currently 12 day places in the Mearns centre the average cost for an external day placement is £28,829 plus travel cost of £9,568 a total of £38,397 per place. A residential school provision this would cost on average £156,000, per place per year and these figures are used to generate the cost projected in the following options. In order to compare options it is assumed that all options need to accommodate 24 pupils.

Option 1 – Status Quo

This is not a long term viable option as the current building requires substantial work to bring it up to the standard required for the current demands of education. It should be noted that the essential electrical work costing £85,000 would need to be carried out, this would be a one off cost. The building can be improved for short term use but in the long term the layout is not conducive to 21st century education requirements.

This means that 12 pupils are currently educated out with the Mearns centre in either a day or residential placement. Taking a prudent option of 7 day placements and 5

residential placements this would expose the Council to the following future costs.

7 day Placements @ £38,397	£268,779
5 residential placements @ £156,000	£780,000
Total	£1,048,779

Option 2 – Expand the current Mearns Centre to 18 Places

The recent condition report provided by Drivas Jonas indicates that substantial remedial work would be required to bring the building up to a suitable standard. The projected cost is approximately £1.5m to £1.8m but this cost could increase as the areas for development are opened up. In order to carry out this work it would be necessary to decant pupils and staff to alternative accommodation for at least 9 months. At this time it has not been possible to identify alternative accommodation. Decant costs for such a move would be in the region of £30,000.

However the major factor against this option is that it would be difficult to expand the provision to 24 because of the layout of the building which is not conducive to modern educational requirement. The Mearns building is a traditional Victorian design on 3 floors plus basement and it would be difficult to modify the building to provide the required facilities for 21st century education provision. The most that could be accommodated would be 18 making a shortfall of 6 places. If this was taken to be 3 residential and 3 day placements this would expose the Council to possible future costs.

3 day Placements @ £38,397	£115,191
3 residential placements @ £156,000	£468,000
Total	£583,191

Total cost for projected work £ 1.8M

Option 3 – St Laurence's Primary School

St Laurence's Primary School becomes available from Easter 2010 and following visits to the school by a number of officers it is felt that this building could provide suitable long term accommodation for an expanded SEBD provision.

The building is in average condition for a school of its age and requires significant upgrading to bring it to category A condition. It will also require some modification to make it suitable for its intended use but does offer the opportunity to provide a much more suitable facility than could be achieved in the existing Mearns building.

The building has enough space to accommodate the new SEBD provision. In addition some space will also be available for general office accommodation; this has still to be fully quantified but is estimated to be sufficient for approximately 100 desk spaces.

A development brief has been provided by a PRFM framework consultant but this requires further work to establish the layout of the building. Detailed costs are not available however based on a rate per m2 for refurbishment a cost of £3.5million has been estimated.

Total cost – £3.5M

Option 4 – Outsource SEBD Places

If all SEBD places were to be outsourced based on a total of 24 pupils based on 18 day placements and 6 residential placements then the total cost would be as follows.

18 day Placements @ £38,397	£691,146
6 residential placements @ £156,000	£936,000

Total	£1,627,146
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It should be noted that if all places were outsourced then there would be a saving on staffing and running costs.

5.3 Cost Summary based on 24 pupils

Table 1 – Current Position

Heading	Pupils in Mearns Centre	Pupils Out Sourced	Education Costs	Social Work Costs	Outsource Costs	Total annual Cost
Employee Costs	12	12	£137,000	£235,000	£1,048,779	£1,420,779
Property Costs	12	12	0	£50,000		£50,000
Supplies & Services	12	12	£6,000	£13,000		£19,000
Admin Costs	12	12	£2,000	£1,700		£3,700
Totals			£145,000	£299,700	£1,048,779	£1,498,479

Table 2 - Options

Options	Pupils in Mearns Centre	Pupils out Sourced	Education Costs	Social Work Costs	Outsourced Costs	Total Annual Costs
Option 1	12	12	£145,000	£299,700	£1,048,779	£1,498,479
Option 2	18	6	£187,000	£299,700	£583,191	£1,069,891
Option 3	24	0	£229,000	£299,700	0	£528,700
Option 4	0	24	0	0	£1,627,146	£1,627,146

Table 3 – Development costs

Option	Cost	Prudential cost
1 - (Status Quo)	£85,000	£6,500
2 - (Expanded Mearns)	£1.8m	£138,500
3 - (St Laurence's)	£ 3.5m	£280,000
4 - (Outsourced)	0	0

Table 4 – Summary

Option	Annual cost	Prudential cost	Total cost
1 - (Status Quo)	£1,498,479	£6,500	£1,504,979
2 - (Expanded Mearns)	£1,069,891	£138,500	£1,208,391
3 - (St Laurence's)	£528,700	£280,000	£808,700
4 - (Outsourced)	£1,627,146	0	£1,627,146

It is felt that Option 3 provides the best long term solution for SEBD education and provides best value for the Council.

6.0 PROPOSALS

- 6.1 The proposal is that the St Laurence's building should be modified, once it becomes available in 2010, to accommodate present and future needs of the Mearns Centre and to provide additional office accommodation.

7.0 IMPLICATIONS

7.1.1 Finance

The 2010/11 budget includes a saving of £500,000 in relation to the increase in numbers at the Mearns Centre from 12 to 24.

Due to tight management of placing requests it is projected that the saving can be achieved in 2010/11 by increasing the Mearns Centre capacity to 18 whilst work in on-going to refurbish an expanded provision in an alternative location.

- 7.1.2 An initial estimate of the capital cost of refurbishing the preferred option of St Laurence's is £3.5 million. This will require a recurring prudential borrowing revenue commitment of £280,000 from 2011/12.
- 7.1.3 It is estimated that the annual running costs of a 24 capacity SEBD unit plus the 100 office spaces will be £200,000. The current property costs of the Mearns Centre are £50,000.
- 7.1.4 The overall financial implications of this proposal will require to be factored into the AMP funding model and approved by the Policy & Resources Committee.

One off Costs

Service	Cost Centre	Budget Years	Proposed Spend	Virement From	Other Comments
Capital	AMP	2010/12	£3.5 million	-	Costs will be converted a prudential borrowing sum
Capital Receipt	AMP	2012/13	£ 150,000	-	Sale of Mearns Centre site

Ongoing Costs

Service	Cost Centre	Budget Year	Proposed Spend	Virement From	Other Comments
Social Care	Residential Schools	2011/12	£(80,000)	-	Contribution to Prudential Borrowing
Education	ASN Placements	2011/12	£(80,000)	-	Contribution to Prudential Borrowing
Social Care	Property Costs	2011/12	£(50,000)	-	Contribution to running costs
Property	Office Accommodation	2011/12	£ 200,000	-	Annual running costs of St Laurence's after refurbishment
General Fund	Loan Charges	2011/12	£ 280,000	-	Prudential Borrowing costs

					for £3.5 million investment
		Total	<u>£ 270,000</u>		
Education	Teachers	2010/11	£ 40,000		

7.2 Legal

There are no legal issues arising from the context of this report.

7.3 Human Resources

A paper on revised management and staffing structure will be submitted to a future committee.

7.4 Equalities

There are no equalities issues

8.0 **CONSULTATION**

8.1 The paper has been discussed and confirmed by the Corporate Management Committee

9.0 **CONCLUSION**

9.1 N/A

10.0 **LIST OF BACKGROUND PAPERS**

10.1 N/A