

ANGUS COUNCIL

CHILDREN AND LEARNING COMMITTEE – 17 MAY 2016

ARBROATH SCHOOLS PROJECT (PHASES 2 AND 3)

REPORT BY MARGO WILLIAMSON, STRATEGIC DIRECTOR – CHILDREN AND LEARNING

ABSTRACT

This report outlines plans to progress the replacement of Hayshead, Ladyloan and Muirfield Primary Schools as the next phase of the Arbroath Schools Project, and seeks Procurement Authority using the appropriate East Central Territory hubco procurement arrangements.

1. RECOMMENDATION

It is recommended that the Children and Learning Committee:

- (i) authorise officers to proceed with proposals which support new build replacements of Hayshead, Ladyloan and Muirfield Primary Schools;
- (ii) authorise procurement of the proposals using the East Central Territory hubco arrangements, utilising their Design, Build, Finance & Maintain (DBFM) and Design and Build (D&B) models;
- (iii) Request a further report be prepared with specific information in relation to the funding position once more detail is available from the Scottish Government;
- (iv) authorise the Strategic Director – Children and Learning, to undertake consultation on the proposals for Hayshead, Ladyloan and Muirfield Primary Schools;
- (v) authorise the Strategic Director – Children and Learning, to undertake informal consultation with pupils, staff, parents/ carers and the wider community regarding a potential joint campus for Hayshead and St.Thomas Primary Schools.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/ SINGLE OUTCOME AGREEMENT/ CORPORATE PLAN

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Our children and young people are confident individuals, effective contributors, successful learners and responsible citizens;
- We have improved the health and wellbeing of our people and inequalities are reduced;
- Individuals and families are involved in decisions which affect them.

3. BACKGROUND

3.1 Phase 1 of the Arbroath Schools Project is currently in progress, and includes the replacement of Timmergreens and Warddykes primary schools. This phase will be completed later this year, at an overall cost of £12.623m (Report 245/15 refers). The new school buildings will open at the start of the new school term in August.

3.2 Reference is made to Report 552/13, approved by the Education Committee at its meeting on 3 October 2013, which outlined the medium term plans and priorities for improving the remainder of the Arbroath primary school estate beyond phase 1 of the Project. The agreed construction phasing at the time was:

- Phase 2: Replacement Hayshead (December 2015 – July 2017);
- Phase 3A: Refurbish Muirfield (January 2016 – January 2017);
- Phase 3B: Refurbish Ladyloan (January 2017 – January 2018);
- Phase 3C: Refurbish Inverbrothock (January 2018 – January 2019);
- Phase 3D: Refurbish St. Thomas (August 2017 – April 2018); and
- Phase 4: Arbirlot, Carmyllie and Colliston (April 2019 – March 2022).

- 3.3 The indicative timetable was however reliant upon the availability of additional capital resources being made available through the Council's budget setting process. At this time, there was an undertaking for officers to continue engagement with Scottish Government (SG) and Scottish Futures Trust (SFT) officials, to benefit from any emerging national funding opportunities.
- 3.4 Towards the end of 2014, this dialogue identified the potential for SG to support the Council progress with the next phases of its medium term plan. SG's announcement was delayed until earlier this year when on 25 January 2016, the First Minister announced that Angus Council will receive funding for three of 19 schools across Scotland as part of the final phase of the £1.8 billion 'Schools for the Future' programme. This is to rebuild Hayshead, Muirfield and Ladyloan, schools previously identified by the Council for rebuild (Hayshead) or for refurbishment (Muirfield, Ladyloan).
- 3.5 While the announcement did not contain any specific information on the amount of funding available for Angus Council, it represents an opportunity to deliver three new build schools.
- 3.6 Inverbrothock and St.Thomas Primary schools, which are also identified as part of the medium term strategy (phases 3C and 3D as noted within 3.2 above), were not considered suitable options for inclusion as part of SG/ SFT's assessment due to their better condition and limited overall funding available.

4. CURRENT POSITION

- 4.1 Since the SG announcement, officers have provided SFT with more information in relation to each of the schools in order for SG to confirm the specific level of funding support. This will be in the context of the Council working within the following SG parameters:
- The Council will work with SFT and SG to complete the Scotland's Schools for the Future 'Achieving the Programme Goals' process;
 - The Council will resource a dedicated, full-time project team with appropriate external advisory support;
 - Projects will be delivered to time and budget;
 - Funding will be calculated using SFT's space and cost metrics - for primary school development, 50% of the total cost will be supported (via revenue funding);
 - Funding will be capped for inflation at the beginning of 2017; and
 - Projects will be delivered and open to pupils by no later than 31 March 2020.
- 4.2 SG's funding element (i.e. 50% of the total cost) will be provided through a revenue funding stream, while the Council can provide the majority of its funding through capital, with potentially a small revenue element required to achieve a balanced position overall.
- 4.3 The Council currently has an overall provision of £14.23m within its capital plan to support the next phases of the Arbroath Schools Project. At this stage, depending on funding confirmation from SG/ SFT, it is anticipated that the project will be in the region of £26m to £30m, with the Council meeting 50% of that value.

5. PROPOSALS

5.1 Introduction

- 5.1.1 The proposal is to replace Hayshead, Ladyloan and Muirfield Primary Schools with new build facilities, constructed on the existing school sites. This replaces the original medium term plans to refurbish Ladyloan and Muirfield.
- 5.1.2 Site logistics arrangements to ensure that learning & teaching and health & safety are not compromised by the construction of these projects, will be given paramount importance to the development and delivery of these proposals.
- 5.1.3 Report 552/13 identified the need to address four key strategic issues on an Arbroath primary school estate wide basis:
- Rationalisation of kitchen facilities;

- Rationalisation of Additional Support Needs (ASN) facilities to Hayshead (North Cluster) and Muirfield (West Cluster);
- Relocation of Educational Resource Service accommodation; and
- Sustaining and improving community facilities.

5.1.4 Since that report, some other factors have developed that require consideration as part of the design development for the proposals. These include:

- The expansion of early year provision beyond 600 hours to a proposed 1,140 hours of Early Learning and Childcare for all 3-5 year olds and eligible 2 year olds, including potential for increased requirement for free school meals;
- An opportunity to provide a shared campus between Hayshead and St. Thomas (on the Hayshead site) with each school retaining its individual identity, but sharing ancillary/ support spaces like the games hall;
- A need to take account of the impact on the future school estate in Arbroath through land zoned for housing within the local plan or potential upcoming housing developments; and
- The Scottish Government 'planning' capacity guidance, used to determine the required accommodation to suit the school capacity.

5.1.5 In order to inform the level of funding support from SG, officers have made an initial assessment in relation to the above, and provided SG with information including proposed capacity, current and projected rolls, existing ASN provision, existing community provision and existing early years provision, together with an indication of overall cost. The proposed primary age capacities, subject to SFT feedback and agreement, are as follows:-

Existing and Proposed Capacities			
School	Current Capacity	Proposed Capacity	Projected 16/17 Roll
Hayshead	533	circa 500	461
Ladyloan	434	circa 340	243
Muirfield	434	circa 340	193

5.1.6 For a variety of reasons, the project is now broadly one year later than anticipated in the original medium term plan. However, the SG funding now available will provide significant opportunities in the Arbroath schools estate by providing three new schools in comparison to using the Council's capital funding alone which would have only provided one.

5.1.7 SG's revenue funding support is capped for inflation at the beginning of 2017. With the Council having already approved capital funding of £14.23m, it is clearly now in the Council's best interests to expedite procurement arrangements to gain maximum value from the proposals.

5.2 Funding Mechanism/ Procurement Approach

5.2.1 As noted above, there is a requirement to use a mixture of revenue and capital funding. This is similar to the group-funding model that the Council adopted with SFT to deliver the Brechin and Forfar Community Campus projects using East Central Territory hubco.

5.2.2 Accordingly, it is proposed to procure these proposals using the East Central Territory hubco arrangements, utilising their Design, Build, Finance & Maintain (DBFM – as used at Forfar Community Campus) and Design and Build (D&B – as used at Brechin Community Campus) models. This approach to procurement is appropriate and readily available for the Council to use (section 16.6 of the Financial regulations refers) and will fully support the funding requirements. Council officers are experienced with this approach and hubco can support a quick procurement turn-a-round.

5.2.3 Such Procurement Authority is however predicated on the basis that the Council's funding commitment will be within the Council's allocated funding contribution of £14.23m. A further report will be prepared to provide specific information in relation to the overall funding position once more detail is available from Scottish Government.

5.3 Consultation

5.3.1 A consultation/ engagement plan has been prepared and included as Appendix 1 to this report. That plan sets out the key stakeholder groups and applicable timescales and it is proposed this plan is progressed as outlined.

- 5.3.2 Members should also note that initial discussions have taken place with the leadership teams at both Hayshead and St. Thomas primary schools about the potential to provide a joint campus. The initial feedback has been positive and it is proposed to undertake a broader informal consultation with pupils, staff, parents/ carers and the wider community and report back to this committee with the findings and recommended approach in due course.
- 5.3.3 While St. Thomas is not part of the SG funding package, the outcome of the informal consultation may have a bearing on achieving the best possible solution for both Hayshead and St.Thomas. Therefore, the opportunity requires to be considered at this time before the design of Hayshead has been progressed too far. In the event this was progressed, it would also be subject to formal consultation in accordance with the current Schools (Consultation) (Scotland) Act (2010).

5.4 Delivery Programme

- 5.4.1 Further detail has yet to be developed, however it is anticipated that two schools could be constructed simultaneously. This would most likely include Hayshead and Muirfield, with Ladyloan following on thereafter. This approach could make best use of the decant accommodation currently located on the Muirfield site and allow it to be relocated to support the Ladyloan logistics. The indicative delivery programme is contained within appendix 2.
- 5.4.2 The potential for constructing all three schools simultaneously (i.e. also including Ladyloan in the earlier programme for completion by December 2018) is being reviewed. This would have the advantage of reducing building cost inflation and delivering the new build Ladyloan around a year earlier, but it could potentially incur some additional costs in relation to logistics. The findings will be reported back to this committee in due course.

5.5 Next Steps

- 5.5.1 The next steps are as follows:
- Confirm and accept the amount of SG funding offered;
 - Establish a project team within the council to manage the delivery of the projects;
 - Issue New Project Request (NPR) to hubco, including appointment of design team consultants, building contractor and facilities management contractor;
 - Progress consultation on the proposals for Hayshead, Ladyloan and Muirfield Primary Schools;
 - Undertake informal consultation with pupils, staff, parents/ carers and the wider community regarding a potential joint campus for Hayshead and St.Thomas Primary Schools;
 - Identify best combination of schools to be procured using the different hubco procurement options to achieve best value for Council;
 - Develop procurement plan (i.e. following hubco process to include NPR; Stage 1; Stage 2; and Financial Close);
 - Progress site investigations and other relevant survey work to inform design development; and
 - Update and confirm the delivery programme.

6. FINANCIAL IMPLICATIONS

- 6.1 The Council currently has an overall provision of £14.23m within its capital plan to support the next phases of the Arbroath Schools Project. This is required to support the proposals to replace Hayshead, Ladyloan and Muirfield with new build facilities.
- 6.2 From the original medium term plans (Report 552/13 refers) the indicative funding required to improve the remaining schools is in the region of £7m (i.e. £4m to complete phase 3 and £3m for phase 4).
- 6.3 In the event Hayshead and St.Thomas is progressed as a joint campus, a funding mechanism to support the additional cost of this would require agreement by members. As noted above, this would be the subject of a further report to this committee for consideration in due course.
- 6.4 Members should note that SG revenue funding will result in an annual Unitary Charge payment being made by the Council for provision of the relevant building and related services

once it is handed over by Hubco. Annual government grant will support a significant element of the Unitary Charge over the 25-year period of the contract.

- 6.5 However, over and above the construction costs related to this SG revenue funded element, the Council will be required to meet life cycle maintenance and facilities management costs as part of the overall annual unitary charges. These costs, are anticipated to be in the region of £200,000 per annum, and will require to be included in future budget setting processes for the Children and Learning Directorate.

7. OTHER IMPLICATIONS

7.1 Risks

- 7.1.1 There is a high likelihood that revenue costs associated with Non-Domestic Rates (NDR) will increase in comparison to the current NDR costs. Any such increase will require to be addressed from the Council's existing revenue budget provision and/ or factored into the future year's budget setting process for the Children and Learning Directorate.
- 7.1.2 In the event that the Hayshead / St Thomas Campus is considered to be a viable option to progress, then a formal consultation exercise in accordance with Schools (Consultation) (Scotland) Act (2010) will require to be undertaken. This may have an impact on the delivery programme to this element and as such subject to a future report to Committee.
- 7.1.3 There is currently only an 'in principle' announcement from SG and further detail in terms of the exact funding support for the proposals is still to be received from SFT. Once this detail has been released a further report will come to this Committee.

NOTE: No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

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List of Appendices:

- 1 Consultation Plan for Replacement of Hayshead Primary School, Muirfield Primary School, Ladyloan Primary School
- 2 Indicative Timetable