ABSTRACT

This report provides a progress update in relation to the Council’s preferred option to replace Timmergreens and Warddykes Primary Schools with new build facilities as Phase 1 of the Arbroath Schools Project, and seeks Procurement Authority for the progression of this phase of the project using the appropriate East Central Territory hubco procurement arrangements.

1 RECOMMENDATIONS

It is recommended that the Education Committee:

(i) note the progress made with the project;
(ii) authorise the Strategic Director – People to consult/engage with school pupils, staff and members of the local communities in relation to the emerging phase 1 proposals;
(iii) authorise the Strategic Director – People to procure the project using the appropriate East Central Territory hubco procurement arrangements; and
(iv) note the financial implications.

2 BACKGROUND

2.1 Members may recall that Report 476/12, which was considered by the Education Committee at its meeting on 23 August 2012, outlined a broad range of consultative options, the indicative nature of the financial implications associated with each of the options, and the challenging issues regarding available funding for investments in the school estate. While those options related to the immediate term, it was also recognised that feedback from the consultation exercise, authorised by the Education Committee, would inform priorities and plans for the medium and longer terms, subject to the necessary funding resources being available.

2.2 At its meeting on 28 March 2013, the Council considered Report 166/13, which outlined feedback from these consultation events, and set out the priority for the primary school estate in Arbroath. At that meeting, the Council agreed the preferred option as being Option C which duly identified the principle for phase 1 of the project as being the replacement of Timmergreens and Warddykes Primary Schools with new build facilities.

2.3 While members agreed the preferred way forward for phase 1 of the project, it was also noted that, in due course, a further report would be brought to the Education Committee outlining plans and priorities for the medium term for improving the remainder of the Arbroath primary school estate up to financial year 2021/22.

2.4 Members should note that this report has been prepared to provide an update in relation to progress/emerging information in relation to phase 1 of the project, together with details of proposed procurement arrangements, and the medium term planning strategy is the subject of a separate committee report (Report 552/13 refers).
3 EMERGING PHASE 1 PROPOSALS

3.1 Replacement of Timmergreens Primary School

3.1.1 It is proposed to provide a ‘new build’ facility on the existing school site, based on the following:

- 222 primary pupil capacity (7 classroom spaces)
- 30 pre-school pupil capacity (morning and afternoon)
- Overall Gross Internal Floor Area c1,900m²
- External facilities, including car parking, drop-off/pick-up, hard landscaping playground areas and grass sports fields

3.1.2 A site-master-planning exercise has been undertaken and the proposed layout is included in Appendix 1.

3.1.3 The programme for the overall development is outlined as follows:

- Design development/procurement: May 2013 to September 2014
- Construction: October 2014 to December 2015
- School Opening: January 2016

3.1.4 Based on developing specification and requirements, the total estimated cost of the development, including professional fees and furniture, fittings and equipment (but excluding decant costs – see below) is c£4.2m.

3.1.5 In order to construct the new facilities, it has been identified that pupils and staff will be required to decant off-site to alternative accommodation as follows:

- Primary pupils and staff to accommodation at the Muirfield site
- Pre-school pupils and staff to accommodation potentially split between the Muirfield and Ladyloan sites (depending on actual numbers)

3.1.6 To support the decant proposals at the Muirfield site, there will also likely be a requirement to:

- Decant the community playgroup to the Ladyloan site
- Decant the pre-school ASN pupils and staff to the Ladyloan site (alongside primary ASN pupils)
- Re-locate the Active School Co-ordinator office to the Ladyloan site

3.1.7 The Council has been granted the opportunity to obtain £662K hub Capital Enabling Funding from Scottish Futures Trust (assuming procurement arrangements utilise the East Central hubco). This funding is required to be expended during Financial Year 2013/14.

3.1.8 In order to deliver the above arrangements, this funding could be utilised to support enabling works/temporary classroom accommodation located at the Muirfield site. The costs associated with providing temporary decant accommodation are still to be fully established, including the best value for money approach. However, buying a number of temporary units (new or second hand) in line with the available funding would appear to be the most appropriate approach. Thereafter the temporary accommodation could be used for other Angus projects or other projects within the East Central hub area.

3.2 Replacement of Warddykes Primary School

3.2.1 It is proposed to provide a ‘new build’ facility on the existing school site, based on the following:

- 335 primary pupil capacity (11 classroom spaces)
- 40 pre-school pupil capacity (morning and afternoon)
- Overall Gross Internal Floor Area c2,800m²
- External facilities, including car parking, drop-off/pick-up, hard landscaping playground areas and grass sports fields
3.2.2 In addition, the building infrastructure/ancillary accommodation will be specified to ensure that, in the event pupil numbers increase beyond the proposed capacity, then the building is ‘future-proofed’ in terms of its potential readiness to be extended for up to 3 additional classroom spaces (i.e. in line with a traditional 14 classroom school) if this is identified as the most suitable solution at that time.

3.2.3 A site-master-planning exercise has been undertaken and the proposed layout is included in Appendix 2.

3.2.4 The programme for the overall development, developed around a tandem build type approach, is outlined as follows:

- Design development/procurement: May 2013 to September 2014
- Construction (phase 1 – new school): October 2014 to April 2016
- School building opening: April 2016
- Construction (phase 2 – extend area): May 2016 to August 2016
- Full completion: August 2016

3.2.5 The total estimated cost of the development, including professional fees and furniture, fittings and equipment is c£6.2m.

3.2.6 It has been identified that the new building can be constructed on the West side of the existing school building, while the existing buildings remain in operation for pupils and staff. However, it is likely that current car parking arrangements will need to be revised to release space to facilitate play areas to the East of the existing buildings. On balance, this approach is manageable and avoids the requirement for temporary decant accommodation.

3.3 Consultation/Engagement Events

3.3.1 It is intended to share the above information with pupils, staff and members of the local communities associated with both schools. This will take the form of public engagement events being held at the existing schools, with Council officers initially presenting this latest information and answering questions, followed by an opportunity for those attending to contribute their thoughts and ideas on the emerging plans.

4 PROCUREMENT AUTHORITY (FOR PHASE 1)

4.1 hub Capital Enabling Funding

4.1.1 While hub Capital Enabling Funding was available for the previous proposals associated with the development of the new site at Hospitalfield amounting to £662K, members should be aware that officers were required to re-bid to hubco/Scottish Futures Trust colleagues in order to retain this funding. This re-bidding process has been successful and Council officers have secured the full £662K of funding for the updated project, which will be utilised to support enabling works/temporary classroom accommodation as noted above.

4.1.2 A condition of the £662K Capital Enabling Funding award from hubco Scottish Futures Trust is that Phase 1 of the project will require to be progressed through the East Central Territory hub procurement arrangements.

4.2 Hub Procurement Process

4.2.1 Discussions have taken place between Council officers and hubco colleagues and it is considered that this project can be progressed in a partnership type approach, including, where appropriate, the Council’s design team from the Communities Directorate, by progressing with a suitable development agreement with hubco. The detail of this will be developed in due course, including using ‘lessons learnt’ from other Council participants in the East Central Territory who have also progressed primary school replacement projects using a similar approach.
4.2.2 For background information, the hub procurement process\(^1\) comprises 4 key stages as follows:

- New Project Request: initiating the project formally with hubco
- Stage 1: progressing the outline design solution
- Stage 2: developing the detailed design solution
- Project Agreement: concluding the contract

4.3 Financial Regulations

4.3.1 Members should note that the Council’s Financial Regulations take cognisance of procurement arrangements using ‘Collaborative Procurement and Central Purchasing Bodies’, including the East Central Territory hubco. In such circumstances, the contract standing orders, rules and tender procedures of hubco shall apply to the procurement in place of section 16 of the Council’s Financial Regulations (section 16.6 of the Financial Regulations refers).

4.3.2 Although the Arbroath Schools Project (Phase 1) procurement arrangements fall within these terms, it is still necessary for the principles of section 16.8 of the Financial Regulations to be adhered to, in terms of seeking authority for the proposed procurement. Particularly in the context that the overall costs are estimated to be £10.4m (excluding the £662K hub capital enabling funding) and, under traditional procurement arrangements, would have been considered to be a Major Procurement in terms of section 16.8.4 of the Financial Regulations.

4.3.3 It is, therefore, deemed appropriate to seek authority to procure the project through the hub development process as set out in this report, with such authority predicated on the basis that this will be within the funding allocation of £10.4m (excluding the £662K hub capital enabling funding).

4.3.4 While this procurement authority will expedite progress between key stages, members will continue to be appraised at appropriate times via further committee reports specifying the outcomes of the key stages. In terms of the key stage framework going forward, it is proposed that committee reports will be provided to note the outcome of:

- the Stage 1 submission from hubco
- the Stage 2 submission from hubco
- concluding the Project Agreement with hubco

4.4 Sourcing Strategy

4.4.1 The Council’s strategy for this procurement is to address its requirements through the East Central Territory hubco vehicle. Use of this sourcing route is necessary to allow the Council to access hub/Scottish Futures Trust’s Capital Enabling Funding support for the project. That funding requirement notwithstanding, sufficient checks and balances, namely key stage reviews, have been put in place to allow officers to ensure that the Council will achieve value for money. This strategy for procurement, which the Council will effectively adopt, also assures the achievement of community benefits together with meeting the project requirements. Selection of the supply chain partners is a matter for hubco, but the Council has received assurance that promotion of local ‘lower-tier’ supply opportunities will be maximised. The Council’s in-house design team from the Communities Directorate will also be included as part of the partnership style approach.

4.5 Key Terms, Procurement Procedure and Contract Evaluation/ Award Basis

4.5.1 These are all as per the hubco/SFT standard models for this kind of project and are matters for hubco application in terms of their own rules and the key stage review process allows Council officers the opportunity to assure themselves that the terms, procedure and evaluation/award basis are compliant and appropriate to the Council’s interests in the light of its strategy.

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\(^1\) A flowchart outlining the hub process, including the 4 key stages is included as Appendix 3 (iv) of Report 718/11.
4.6 Procurement Risks

4.6.1 Risks, including procurement risks, are fully addressed in Section 7 of this report.

5 PROPERTY IMPLICATIONS

5.1 The property implications associated with this report relate to the existing Timmergreens and Warddykes primary school buildings and associated sites, which will be redeveloped with new facilities as described above.

6 RISKS

6.1 The approach to risk management is in accordance with the Council’s corporate risk management strategy. It is however worth highlighting specific risks associated with this report as follows:

- the design is at an early stage of development and there are a number of risks associated with this early stage of the project which are yet to be progressed, for example, exploration of ground conditions, planning authority requirements, demolition investigations, etc.
- the development of detailed decant arrangements including the provision of temporary accommodation requirements/enabling works to support the rebuilding of Timmergreens Primary School has not been finalised
- construction inflation over the next few years could increase significantly in comparison to the low levels recently experienced.

7 FINANCIAL IMPLICATIONS

7.1 Provision of £10.6m has been made in the financial plan for phase 1 of this project and the cumulative estimated cost identified in this report for the replacement of Timmergreens and Warddykes primary schools is £10.4m. Accordingly, £200K is therefore available to support the later phase of the project (subject of a separate committee report 552/13).

7.2. Members should note that the £662K hub Capital Enabling Funding is additional to the above noted cost. It is anticipated that this will be fully expended against the provision of temporary accommodation/enabling works costs this financial year, and while the Council will expend this money in the first instance, it is proposed that it will also be re-charged to SFT within financial year 2013/14 to achieve a cost neutral outcome for the Council.

7.3 It is estimated that once new buildings are completed, there will be a reduction in revenue costs of £25,000 per annum (savings in property costs). Loan charges are estimated to be an average of £721,000 per annum over a 25 year period and £20,907,000 in total. Loan charges have been calculated in line with the assumptions within the Long Term Affordability review presented to the Special Budget Setting meeting of the Council. This project was included in that review and as the review concluded that the overall revenue consequences (including borrowing costs) of the Council’s proposed total capital spend can be sustained on a long-term basis, the loan charges noted above can be contained within the overall loan charges provision.

8 HUMAN RIGHTS IMPLICATIONS

8.1 There are no Human Rights implications arising from the consideration of this report.

9 EQUALITIES IMPLICATIONS

9.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective. An equalities impact assessment is not required.
10 ANGUS COMMUNITY PLAN AND SINGLE OUTCOME AGREEMENT

10.1 This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2011-2014:

- Our children and young people are confident individuals, effective contributors, successful learners and responsible citizens
- Adults maximise their potential through learning opportunities
- Individuals and families are involved in decisions which affect them

11 CONSULTATION

11.1 In accordance with the Standing Orders of the Council, this report has been the subject of consultation with the Chief Executive, the Strategic Director – Communities, the Strategic Director – Resources, the Head of Corporate Improvement and Finance, and the Head of Legal and Democratic Services.

MARGO WILLIAMSON
STRATEGIC DIRECTOR – PEOPLE

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 a material extent in preparing the above report.

ED/CTC/GPC