ABSTRACT

This report outlines the plans and priorities for the medium term for improving the remainder of the Arbroath primary school estate beyond phase 1 of the project.

1 RECOMMENDATIONS

It is recommended that the Education Committee:

(i) approves the improvement to Arbroath Primary School Estate (beyond phase 1) as outlined in this report;
(ii) notes the indicative timetable for implementation;
(iii) authorise the Strategic Director – People to consult/engage with school pupils, staff and members of the local communities in relation to the medium term strategy; and
(iv) note that the medium term strategy and indicative timetable will require capital resources in addition to that currently allocated for Arbroath schools and the prioritisation of this vis-à-vis other capital spend will therefore need to be considered by the Council as part of the 2014/15 budget process.

2 BACKGROUND

2.1 Members may recall that Reports 208/09 and 747/09, approved by the Education Committee at its respective meetings on 5 March and 21 October 2009, set out the long term objective of improving the entire primary school estate in Arbroath. However, it was also recognised from the outset that, due to limited financial resources, it would likely be necessary for improvements to Arbroath Primary Schools to be phased over a considerably longer timescale than was either ideal or desirable.

2.2 As members will be aware, extensive preparatory and exploratory work has been carried out in relation to the Arbroath (Primary) Schools Project. That work, including the associated committee reports (which are catalogued in Appendix 1 of report 166/13), was predicated on establishing the initial phase of a longer term project designed to improve the entire Arbroath primary school estate. The strategic aims of the project are to create modern, fit-for-purpose facilities, capable of providing excellent learning and teaching environments for the benefit of Arbroath primary school pupils, staff and the wider community through an updated and efficient package of schools with an overall capacity or around 2,450 pupils.

2.3 Report 476/12, 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.

2.4 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.

2.5 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.
Members should therefore note that this report has been prepared to outline the plans and priorities for the medium term for improving the remainder of the Arbroath primary school estate beyond phase 1 of the project and an update in relation to progress/emerging information in relation to phase 1 of the project, together with details of proposed procurement arrangements, is the subject of a separate committee report (Report 551/13 refers).

3 STRATEGIC PLANNING

3.1 Overview

3.1.1 By developing the medium term plans and priorities for improving the Arbroath primary school estate up to financial year 2021/22 on a holistic basis, there is also a good opportunity to address a number of specific areas within the estate to improve overall service delivery. For example, schools meals provision, Additional Support Needs (ASN) accommodation, etc, as detailed below.

3.2 School Meals Provision: Kitchen Facilities

3.2.1 Production Kitchens are currently located at Inverbrothock, Ladyloan, Muirfield, St. Thomas, Timmergreens and Warddykes. The remaining schools have Servery Kitchen facilities which are supplied from the Production Kitchens via daily deliveries operated by Tayside Contracts Catering Division.

3.2.2 Kitchen equipment generally is both costly to install and commits comparatively high levels of ongoing revenue expenditure in terms of planned and unplanned maintenance requirements to meet legislative requirements.

3.2.3 On this basis, discussions have taken place with representatives of Tayside Contracts Catering Division and it has been agreed to work towards a position of reducing the number of Production Kitchens operating from the Arbroath primary school estate.

3.2.4 Primary schools re-developed without a Production Kitchen will be provided with a ‘Dining Centre’ (i.e. Servery Kitchen). As per current arrangements, Tayside Contracts Catering Division will make daily deliveries from the associated Production Kitchen to each of the Dining Centres.

3.2.5 This position will be achieved by the end of the project and managed during the interim stages to suit decant arrangements.

3.3 Accommodation for Pupils with Additional Support Needs (ASN)

3.3.1 ASN provision is currently located in a variety of locations throughout Arbroath. For example, Muirfield accommodates pre-school pupils, Ladyloan accommodates primary aged pupils, Hayshead accommodates primary aged pupils (in a nurture room facility) and Inverbrothock, while having no dedicated accommodation, also accommodates primary aged pupils without any specialist ancillary support accommodation.

3.3.2 In order to improve arrangements, it is has been identified that possibly Hayshead (in the North cluster) and Muirfield (in the West cluster) could provide good locations for the main ASN facilities. Each primary school will also have some flexible space to support an inclusive approach and partnership working, for example to provide nurture facilities. This will also provide the schools with facilities to assist with extended pupil support, where this is appropriate.

3.4 Educational Resource Service (ERS) Accommodation

3.4.1 The educational resource service (ERS) is currently located in the Dens Road Business Centre in Arbroath. This arrangement could be improved by locating resources more closely with learning and teaching facilities.

3.4.2 It is considered that the approach to ASN noted above (i.e. locating this at Muirfield in the West cluster), could release sufficient space at Ladyloan to support the re-location of ERS to that site.
3.5 Community Consideration

3.5.1 The new and improved facilities will be designed to include facilities which will support school and community use activities. There is currently a significant community use associated with Hayshead Primary School and it would be proposed to provide facilities which would continue to support such community activity.

4. PLANS AND PRIORITIES FOR THE MEDIUM TERM

4.1 General

4.1.1 The preferred option emerging from consideration of Report 166/13 identified Hayshead as the top priority primary school for replacement after Timmergreens and Warddykes have been completed (i.e. Hayshead would be phase 2 of the project).

4.1.2 Beyond the replacement of Hayshead, members have also sought further information which will outline the plans and priorities for the medium term in relation to the remainder of the primary school estate in Arbroath.

4.2 Financial and Programme Considerations

4.2.1 As outlined in Report 551/13, progress has been made in providing new schools at Timmergreens and Warddykes. As indicated in this report there is provision for these projects within the current Financial Plan with £200k currently uncommitted beyond the total estimated cost of £10.4m. The current Financial Plan has allocated available capital resources to projects for the financial years up to and including 2016/17. Therefore, other than some preparatory work (to the value of the uncommitted £200k noted above), it would not be possible at present to commence construction on any other school until 2017/18 at the earliest dependant upon the prioritisation of the Council’s capital resources. From a project perspective, this would obviously result in a loss of momentum, and new and improved schools would not be available for some considerable time. This would be disappointing for pupils, staff and community and would not represent best value (for example, temporary accommodation at Muirfield site would not be being utilised). Accordingly, officers have considered proposals in the context of a continuous programme of school replacement/improvement which would bring associated benefits. It is highlighted that delivery of such a programme would require capital resources in addition to that currently allocated for Arbroath schools and the prioritisation of this vis-à-vis other capital spend.

4.3 Replacement of Hayshead Primary School (Phase 2)

4.3.1 Initial investigations in relation to the replacement of Hayshead have identified that the existing site is large in area (c2.75ha) and suitable for re-development while the existing school remains in operation.

4.3.2 The nature of the site, together with the existing integrated community facilities within the school, provides an excellent opportunity to provide a facility in the North cluster of Arbroath that would support the continuation of that community use, together with enhanced facilities to support pupils with Additional Support Needs.

4.3.3 Accordingly, it is proposed to provide a ‘new build’ facility on the existing school site, based on the following:

- 444 primary pupil capacity (14 classroom spaces)
- 40 pre-school pupil capacity
- Community use areas
- Accommodation to support ASN pupils
- Overall Gross Internal Floor Area c4,000m²
- External facilities, including car parking, drop-off/pick-up, hard landscaping playground areas and grass sports fields
4.3.4 Costs were initially indicated as £7m for an approach which would replace only the school aspect in report 166/13. However, by including the community use and ASN facilities, the total estimated cost of the development, including professional fees and furniture, fittings and equipment would be c£9m.

4.3.5 It is proposed that the construction activities commence just prior to the completion of the new build Timmergreens primary school towards the end of 2015. The re-development of the Hayshead site would also be based on a tandem build type approach, and the potential programme for the overall development is outlined as follows:

- Design development/ procurement: April 2014 to November 2015
- Construction (phase 1): December 2015 to July 2017
- School building opening: August 2017
- St. Thomas decant (see phase 3D below): August 2017 to April 2018
- Construction (phase 2): May 2018 to December 2018
- Full completion: December 2018

4.4 Improvements to Inverbrothock, Ladyloan, Muirfield and St. Thomas (Phase 3)

4.4.1 It is proposed that these schools would be included as phase 3 of the project, albeit this phase will require to be sub-divided for logistical reasons and with phasing to suit factors such as the availability of decant accommodation.

4.4.2 Initial investigations in relation to Inverbrothock, Ladyloan, Muirfield and St. Thomas have identified that, within the current overall funding context, the most suitable approach would be to refurbish/improve the existing facilities. It will be possible to significantly improve condition/suitability of these schools without replacement. However, in order to carry out the scope of works envisaged, it is likely that schools will each require to be decanted (either full or partial) into temporary classroom accommodation.

4.4.3 As noted in Report 551/13, in order to deliver the new build Timmergreens primary school, temporary classroom accommodation will be located at the Muirfield site. As it is proposed to purchase this temporary accommodation using the hub Capital Enabling Funding, this temporary accommodation will also be available to support the proposals for the phase 3 schools, albeit, depending on accommodation needs, the accommodation may require to be supplemented. At this stage, any additional cost associated with this aspect remains a risk for the project.

4.4.4 The approach to these 4 schools would seek to address currently identified maintenance items, estimated to cost around £2.88m for the 4 schools overall, which will improve the condition of each of these facilities.

4.4.5 In addition, the suitability of current accommodation at each school would also be improved, as far as reasonably practicable, with the scope of works aligned with the overall affordability/funding available.

4.4.6 By adopting the principle of this approach (i.e. address maintenance items and make improvements to the suitability of existing accommodation), the total budget cost for the 4 schools, including professional fees and furniture, fittings and equipment is estimated to be c£8.5m.

4.4.7 It should be noted that the above budget figure is based on an outline assessment of the likely overall scope of works at each site to achieve an improved level of consistency across the Arbroath primary school estate. In terms of the overall condition and suitability ratings, the aim would be to achieve A (Good) or B (Satisfactory), in accordance with the ambitions of the Council’s School Estate Strategy.

4.4.8 In terms of the timing of the works, and taking cognisance of the principles applicable to the phase 1 schools identified in Report 551/13, the broad principles of the proposed plan are outlined as follows:
Phase 3A – Muirfield: this school would commence on site after the completion of Timmergreens, with the Muirfield staff and pupils being decanted (either full or partial) into the temporary classroom accommodation already located at the Muirfield site (those already decanted to Ladyloan would stay at that site during these works). Design development work would take place to support construction works commencing on site during January 2016, likely lasting for around 12 months to January 2017.

Phase 3B – Ladyloan: once Muirfield has been completed and school staff and pupils have migrated back into the refurbished facilities, Ladyloan staff and pupils would, if required, be decanted (either full or partial) into the temporary classroom accommodation already located at the Muirfield site. It is proposed that Muirfield would be adapted to support the long term re-location of ASN pupils (in the West cluster of Arbroath); therefore the move from Ladyloan to Muirfield would effectively be a permanent re-location to the Muirfield site for that cohort of pupils. Further consideration would need to be given to the position of the community playgroup and active schools co-ordinator, however this is not insurmountable. It is also possible that Ladyloan could provide a good base for the Educational Resource Service (ERS). Design development work would take place to support construction works commencing on site during January 2017, likely lasting for around 12 months to January 2018.

Phase 3C – Inverbrothock: once Ladyloan has been completed and school staff and pupils have migrated back into the refurbished facilities, Inverbrothock staff and pupils, if required, would be decanted (either full or partial) into the temporary classroom accommodation already located at the Muirfield site. Alternatively, the temporary accommodation could be re-located to the Inverbrothock site, albeit this would incur additional costs. Design development work would take place to support construction works commencing on site during January 2018, likely lasting for around 12 months to January 2019.

Phase 3D – St Thomas: the preference for this school would be to link this aspect closely with the phase 2 re-development of Hayshead. Once the initial phase of the Hayshead construction works have been completed and the school staff and pupils migrated to the new facility (i.e. August 2017), the existing Hayshead building could be utilised, if required, to decant St. Thomas on a short term basis to allow the works to be progressed at the St. Thomas site. Design development work would take place to support construction works commencing on site during August 2017, likely lasting for around 8 months to April 2018. Phase 2 of Hayshead would then follow on to full completion by December 2018 as noted above.

This ‘rolling programme’ approach to design and construction would achieve completion at all phase 1, 2 and 3 schools by January 2019.

4.4.9 In the interim period, prior to the improvement works commencing at the various sites, expenditure on maintenance items would be limited to dealing with health & safety issues and essential unplanned maintenance repair items, which would be funded through existing revenue budgets.

4.5 Improvements to Arbirlot, Carmyllie and Colliston (Phase 4)

4.5.1 At this stage, it is proposed that these schools are considered as phase 4 of the project.

4.5.2 There may be number of options available and it is recommended that, in due course, further consultation/engagement is undertaken with these school communities and a preferred approach developed at that time.

4.5.3 The timing of phase 4 would therefore be between April 2019 and the end of March 2022 (i.e. over a 3 year period).

4.5.4 At this stage it would be reasonable to make a budget provision of £3m to support this final phase.
4.6 **Key Benefits of the Proposed Medium Term Strategy**

4.6.1 Having developed the principles of the medium term strategy, and considered potential alternatives to the implementation, the approach advocated in this report will achieve the following:

- support the commitment to replace Hayshead as the top priority primary school for the next phase of the Arbroath schools improvement programme following Timmergreens and Warddykes (noted in report 166/13);
- provides an efficient rolling programme of design and construction activity over the next 9 year period;
- achieves a good continuity of work-flow and construction activity in both the Arbroath North and West clusters, potentially with spin-off community benefits;
- provides the opportunity to improve outcomes for the Arbroath community at the earliest possible stage;
- avoids the potential for a period of construction inactivity between the completion of the phase 1 schools (and temporary huts lying empty for a period between phases); and
- builds greater inherent certainty and momentum into the programme (design and construction), providing the Arbroath community with visible investment after a period of uncertainty.

4.7 **Consultation/ Engagement Events**

4.7.1 It is intended to share the above information with pupils, staff and members of the local communities associated with the schools included within phases 2 and 3. This will take the form of public engagement events, 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.

4.7.2 Consultation/engagement with the phase 4 school communities will be undertaken in due course, in order to develop proposals and to support their implementation in line with the above noted timetable.

5 **PROPERTY IMPLICATIONS**

5.1 The property implications associated with this report relate to the existing Arbirlot, Carmyllie, Colliston, Inverbrothock, Ladyloan, Muirfield and St. Thomas primary school buildings and associated sites, which will be addressed as described in this report.

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 development of detailed decant arrangements and associated temporary accommodation requirements/enabling works to support the decant requirements of the project are still to be developed in detail
- for the replacement of Hayshead, no design development has taken place and there are a number of risks which are yet to be progressed, for example, exploration of ground conditions, planning authority requirements, demolition investigations, etc.
- for refurbishment/improvement aspects of the project, the design solutions have not been scoped at this stage and there are a number of risks associated with this which at this stage may be unforeseen (e.g. structural defects, rotten timber, etc.)
- construction inflation over the next few years could increase significantly in comparison to the low levels recently experienced
7 FINANCIAL IMPLICATIONS

7.1 Estimated Costs & Current Funding Provision

7.1.1 Based on the information specified in the preceding sections, together with the financial implications of the phase 1 schools (Report 551/13 refers), the overall estimated costs (assuming the enabling works/temporary accommodation cost can be wholly dealt with utilising the £662K hub Capital Enabling Funding), along with the broad phasing principles, can be summarised as follows:

<table>
<thead>
<tr>
<th>Phase</th>
<th>School</th>
<th>Indicative Cost (School)</th>
<th>Indicative Cost (Phase)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>Timmergreens</td>
<td>£4.2m</td>
<td>£10.4m</td>
</tr>
<tr>
<td></td>
<td>Warddykes</td>
<td>£6.2m</td>
<td></td>
</tr>
<tr>
<td>Two</td>
<td>Hayshead</td>
<td>£9m</td>
<td>£9m</td>
</tr>
<tr>
<td>Three</td>
<td>Inverbrothock, Ladyloans,</td>
<td>£8.5m</td>
<td>£8.5m</td>
</tr>
<tr>
<td></td>
<td>Muirfield and St. Thomas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four</td>
<td>Arbirlot, Carmyllie and Colliston</td>
<td>£3m</td>
<td>£3m</td>
</tr>
<tr>
<td></td>
<td><strong>Total Indicative Cost</strong></td>
<td></td>
<td><strong>£30.9m</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Risk Provision</strong></td>
<td></td>
<td><strong>£0.6m</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total Funding Requirement</strong></td>
<td></td>
<td><strong>£31.5m</strong></td>
</tr>
</tbody>
</table>

7.1.2 The 2013/14 Final Capital Budget Volume (report 476/13) details the Council’s approved priority capital projects and associated funding up to 2016/17. There is provision therein for 2013/14 and beyond of £10.545m for the Arbroath Schools project. Capitalised Maintenance of £1.2m was noted in report 166/13 as available if prioritised for the Arbroath Schools project, and £0.88m has been so allocated for this purpose. Accordingly, the confirmed funding presently available for the project up to 2016/17 is £11.425m.

7.1.3 As outlined in the above table, the indicative cost for phases 1 to 4 is currently estimated to total £30.9m. There are, however, a number of risks that may increase this cost (e.g. temporary accommodation, unforeseen site conditions, etc) and, therefore, it would be prudent to make an overall risk provision for the project of £0.6m at this stage until there is further certainty in relation to these items. Total estimated funding of £31.5m is therefore required. This represents a funding requirement of £20.1m in excess of that currently allocated to the project in the Final Capital Budget Volume.

7.1.4 It should also be noted that while this level of funding will make significant improvements to the Arbroath Primary school estate, funding in the order of £40 to £45m would be required to support an all ‘new build’ type approach.

7.2 Scottish Government Funding Update

7.2.1 There is, however, still also the potential that Scottish Government/Scottish Futures Trust (SFT) funding could come forward at some point in the future, depending on national funding availability.

7.2.2 In this context, it would be sensible for the Council to include either Hayshead (and/or Inverbrothock) as part of any future bid, as funding is calculated based on pupil numbers, and therefore Hayshead (and/or Inverbrothock if a new build approach was adopted) would likely attract the maximum funding benefit.

7.2.3 Any additional funding awarded to the Council (assuming a bid was based on the Arbroath schools) could potentially be utilised to either offset the Council’s own capital spend or, alternatively, enhance the potential improvements being proposed. For example, it may be worth considering a new build replacement for Inverbrothock in lieu of the current refurbishment/improvement proposal.
7.2.4 While there is no certainty that SG/SFT will provide any new funding, officers will continue to maintain contact with SG/SFT officials in order to react to any new information, to maximise the potential from any emerging national funding opportunity.

7.3 Funding Profile to Support the Proposed Medium Term Strategy

7.3.1 The principles of the approach to delivering the plans and priorities for the medium term for improving the remainder of the Arbroath primary school estate beyond phase 1 of the project have been set out in this report. This has been translated into an indicative spend profile (for the entire project) up to, and including, financial year 2021/22, and compared against the resources currently allocated to the project. The Table below highlights the emerging position as follows:

<table>
<thead>
<tr>
<th>Financial Years/ Indicative Spend Profiles (£,000)</th>
<th>13/14</th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>21/22</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Profile</td>
<td>300</td>
<td>4,110</td>
<td>8,115</td>
<td>7,245</td>
<td>4,280</td>
<td>4,270</td>
<td>855</td>
<td>1,200</td>
<td>1,125</td>
<td>31,500</td>
</tr>
<tr>
<td>Financial Plan</td>
<td>338</td>
<td>4,507</td>
<td>4,340</td>
<td>2,240</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,425</td>
</tr>
<tr>
<td>Variance (+/-)</td>
<td>-38</td>
<td>-397</td>
<td>+3,775</td>
<td>+5,005</td>
<td>+4,280</td>
<td>+4,270</td>
<td>+855</td>
<td>+1,200</td>
<td>+1,125</td>
<td>+20,075</td>
</tr>
</tbody>
</table>

7.3.2 The above table indicates the principle that the funding profile would effectively commit the expenditure on the project at an earlier stage, particularly during financial years 2015/16 and 2016/17, in comparison to that currently outlined within the Council’s Financial Plan.

7.3.3 As noted previously, the Council has allocated its available capital resources up to and including 2016/17. The spending profile of the programme timetable within this report would require funding totalling £19.77m over the 2013/14 to 2016/17 period. This represents an increase of £8.345m over the current funding provision for the project over that period.

7.3.4 As noted above, the Final Capital Budget Volume details the Council’s approved priority capital projects up to 2016/17. The forthcoming capital budget preparation process will consider the allocation of the estimated limited available capital funding for 2017/18. In light of the alternative spend profiles presented in this report and the £20.1m estimated overall funding requirement (of which £8.345m is required prior to 2017/18) for the Arbroath Schools project, it will be necessary for the implications of these onto the other capital spending priorities of the Council to be considered.

7.3.5 The loan charges implications of the medium term strategy will be dependant upon the funding allocated and will thus be considered as part of the budget setting process.

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 outcomes 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