

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Educational Services

Council: 6 August 2009

Subject: Schools Regeneration – New Funding Stream

1. Purpose

- 1.1 The purpose of this report is to update Members on the current position with regard to Dumbarton Academy and to seek approval to bid for Government / Scottish Future Trust (SFT) funding at the earliest opportunity.
- 1.2 This report also seeks approval to bid for Government / Scottish Future Trust (SFT) funding for a new primary school at the earliest opportunity.

2. Background

- 2.1 Proposals, originally contained within the PPP “Building Our Future” project, to build a new Dumbarton Academy, Primary and Early Education & Childcare Centre (EECC) on the existing Dumbarton Academy campus on Crosslet Road were rejected by the Planning Committee on 22 October 2007. Reasons for the planning refusal were the over-development of the site, proposed relocation of the bowling club within the campus, and the additional traffic on and around Crosslet Road which would result from a large educational complex.
- 2.2 The entire Dumbarton proposal was subsequently removed from the PPP project by Council on 28 November 2007. However, at the same meeting, Council announced that a new build Dumbarton Academy should be the Authority’s top major capital funded priority.
- 2.3 Confirmation of the Council’s commitment to a new-build Dumbarton Academy was reiterated at the Council meeting of 30 January 2008.

3. Main Issues

- 3.1 Despite the capital investment of around £1.5m over financial years 2008/2009 and 2009/2010, Dumbarton Academy is still in need of significant further capital investment to refurbish/renew various major building elements, e.g. new electrical and heating installations, new windows and roof coverings, major adaptations to allow accessibility throughout the building (including ground floor access into classrooms),

insulation upgrades, some floor and wall finishes and redecoration, soundproofing between classrooms, adaptations to suit current Fire Regulations, major upgrades/extensions to external sports and recreational areas. In addition, the existing school is unsuitable for modern secondary education and therefore needs to be remodelled. Taking this into account it is considered that a replacement secondary school would provide the best value option to the Council.

- 3.2** In order to maintain the Council's high profile commitment to provide a new Dumbarton Academy at the earliest opportunity the following events have taken place:
- a) Informal consultation meeting with Dumbarton Academy Parent Council on 30 June 2008, highlighting the various options for sites, school facilities, potential funding sources and estimated capital costs.
 - b) Meeting between Fiona Hyslop (Cabinet Secretary), Leader of Council, Convener of Education & Lifelong Learning and the Executive Director of Educational Services on 19 September 2008. The reason for the meeting was to ensure that the Cabinet Secretary was made aware of the Authority's commitment to deliver a new Dumbarton Academy as soon as is practically possible.
 - c) Meeting between Fiona Hyslop (Cabinet Secretary), the Leader of Council, the Convener of Education & Lifelong Learning, the Chief Executive, the Executive Director of Corporate Services and the Executive Director of Educational Services on 8 May 2009. Whilst the agenda for the meeting was directed by the Cabinet Secretary and covered a range of educational issues, the opportunity was again taken to discuss the Council's strong desire to rebuild a new academy in Dumbarton.
 - d) Meeting between Barry White (Chief Executive Officer of the Scottish Futures Trust), the Executive Director of Educational Services and the Head of Service (Resources) on 26 May 2009. Again the reason for the meeting was to discuss possible opportunities to liaise with SFT to determine a way forward to deliver a new Dumbarton Academy.
 - e) Informal public consultation meeting on 1 June 2009 to highlight site options, facilities, and estimated costs. It was unanimously agreed that the preferable location for a new secondary should be on the existing site at Crosslet Road.
 - f) The current Single Outcome Agreement between Scottish Government and West Dunbartonshire Council includes reference to the Council's top priority capital project as being a replacement Dumbarton Academy. A similar reference is repeated within the Council's Corporate Plan.

- 3.3** The Schools' Estate team are currently liaising with BAM, our PPP provider who originally designed the Dumbarton Academy campus, to develop exemplar designs based on their original concepts but excluding the primary and EECC.
- 3.4** On 17 June 2009 the Cabinet Secretary announced that there would be Capital funding of £800m to be provided from 2010/2011 onwards to deliver new schools across Scotland, and the level of funding offered would be 66.66% of the Capital costs for secondary schools and 50% for primary schools. Her announcement in the Scottish Parliament included a specific reference to Dumbarton as being one of several towns in need of investment in new schools.
- 3.5** An announcement by Scottish Government is expected in September seeking expressions of interest from Local Authorities as to which secondary schools within their areas are considered to be most in need of replacement.
- 3.6** A further announcement by the Scottish Government is expected around December 2009 seeking expressions of interest from Local Authorities as to which primary schools within their areas are considered to be most in need of replacement. Scottish Government funding will be 50% of new build costs, with the remaining 50% being funded by Local Authorities.
- 3.7** It would be advantageous for Council to have appropriate bids ready for submission as soon as possible after these announcements.
- 3.8** Dumbarton Academy – the basics
- 3.8.1** Option appraisals were carried out to consider the best location for a new Dumbarton Academy, and details are listed in Appendix I.
- 3.8.2** The new school would have a pupil capacity of 700 pupils and would be built on the existing Crosslet Road campus. The new school could be built without a need for any temporary decant.
- 3.8.3** A new Dumbarton Academy would include external and internal facilities built to a similar specification to those in the new Vale of Leven Academy, Clydebank HS and St Peter the Apostle HS, e.g. all-weather floodlit football and hockey pitches, grass football/rugby pitch, P.E and Games Hall, Assembly/ Theatre spaces, “street” concept communal areas, large classrooms and corridors. ICT infrastructure costs are also included.
- 3.8.4** Such a facility is expected to cost in the region of £30m at current pricing levels, including professional and statutory fees. No allowance has been made for life cycle maintenance/ replacement.

3.8.5 Whilst the facilities would provide good out-of-hours community usage, consideration could be given to provide additional daytime community accommodation. However this would add to the reported estimated costs in 3.5.4 above.

3.8.6 The European Procurement legislative processes would apply.

3.8.7 Well developed WDC exemplar designs would allow contractors to bid competitively on a design and build basis.

3.8.8 Estimated timescales, from date of approval to proceed, are as follows:

- a) From go-ahead to start on site, including OJEU advertising - 18 months (min)
- b) Completion of new building - 16 months
- c) Completion of externals - 8 months

Total time to delivery of new school and all facilities = 42 months

3.8.9 The Brock Bowling Club, currently in the centre of the existing Dumbarton Academy site, owns a lease from the Council until November 2013. It is not feasible to retain the club on the site whilst delivering a new build secondary and so an alternative location is required. Officers have identified a possible acceptable alternative site located on the southern tip of the football pitches at the Meadows, Townend Road. The Bowling Club Committee has expressed its agreement in principle to relocate the club building and green to this area. To allow continuity of the business of the club, as well as ensuring that the new-build secondary can be delivered to tight timescales, the relocation of the club would require to begin in Spring 2010 at a cost of up to £1m. West Dunbartonshire would negotiate a 30 year fixed term lease with the club. Plans were substantially advanced by Keppie Architects, BAM's designer, in the lead up to the Planning Application in October 2007 (see 2.1 above). Considerable time could be saved and an expected saving in design costs could be achieved if Keppie were to be commissioned by the Council to complete the designs and to obtain Planning Permission on behalf of Educational Services. However any appointment would only be subject to compliance with Council Standing Orders, and in particular with reference to the stated limit of £30,000 for non-competitively tendered work.

3.8.10 Artist's impressions of the proposed new Dumbarton Academy are attached as Appendix II.

3.9 The outcome of the various public consultations in connection with the schools' regeneration phase 2 together with the recommendations of the

Member/Officer Working Group will be reported to Council in September 2009. The report will include officers' recommendations of priorities for new build primaries. Subject to any Council decision made following the report, Members may also wish to consider whether West Dunbartonshire Council should bid for 50% government funding for a new primary school (see 3.3 above).

- 3.10** Based upon current pricing levels a new build primary school could cost between £5-7m whilst a co-located primary school could be expected to cost around £10m. These estimates exclude any revenue savings or land sale capital receipts which may be realised, the extent of which would be dependant upon which primary/primaries, if any, were selected for renewal.

4. Personnel Issues

- 4.1** Professional consultants will be required and these could be either external or in-house. However any offer of SG funding is expected to have extremely tight timescales and so there could potentially be resourcing issues within the in-house design services section.
- 4.2** Additional staff resources within the Schools Estate team will be needed, i.e. financial and legal expertise, in order to deliver the client service for this project.

5. Financial Implications

- 5.1** The £800m funding announced by the government is expected to be provided over a number of years and would be capped at the level offered, thereby allowing for no inflationary uplift.
- 5.2** The capital cost to rebuild Dumbarton Academy and associated external works, including relocation costs for Brock Bowling Club, is estimated to be around £31m at current pricing levels, including additional staffing and professional fees. A SG grant of 66.66% would amount to £20.7m, leaving a funding gap of £10.3m for the Council to meet.
- 5.3** Any proposed substitution of currently committed capital projects is insufficient to fund the required 33.33% funding gap of £10.3m in 2010/2011 and 2011/2012.
- 5.4** Prudential borrowing would result in a revenue impact to the Council of £0.780m per annum over a 40 year period.
- 5.5** Similarly, in relation to 3.7 above, a co-located new build primary school costing £10.0m and 50% funded by SG grant would result in a revenue impact to the Council of £0.375m per annum over a 40 year period in terms of prudential borrowing.

- 5.6** If 5.4 and 5.5 were both to be approved the total revenue commitment to the Council would be £1.155m per annum for 40 years.
- 5.7** There would be an increase in receipt of leasing charges for the new Brock Bowling Club from December 2013, the detail of which is subject to future negotiations between our Estates Section in HEED and the bowling club.

6. Risk Analysis

- 6.1** Scottish Government funding offer is expected to have extremely tight timescales, although these are as yet unknown.
- 6.2** The relocation of Brock Bowling Club will result in a loss of one blaes football pitch at the Meadows site and SportsScotland, a statutory consultee, may have a negative view on this proposal. However the removal of the club from the Crosslet campus would allow additional facilities that could help satisfy SportsScotland's concerns.
- 6.3** Whilst Local Authority funding continues to be reduced year on year, the Council would need to identify annual revenue savings of £0.780m p.a. over 40 years in order to sustain repayments to the Prudential Borrowing regime referred to in 5.4 above or £1.115m p.a. if the option outlined in 5.6 were to be pursued.

7. Conclusions and Recommendations

- 7.1** Following extensive consultations it is recognised that the preferred location for a new build Dumbarton Academy should be on the existing campus of Crosslet Road, and so Members are asked to approve this as being the preferred location.
- 7.2** An announcement by the Cabinet Secretary is expected in September that will give an opportunity for West Dunbartonshire Council to bid for a 66.66% capital contribution for a new build Dumbarton Academy. Council will therefore need to provide £10.3m capital, possibly through Prudential Borrowing, resulting in an annual repayment of £0.78m over 40 years.
- 7.3** Site works for a relocated Brock Bowling Club must commence before December 2009 and so, in order to progress timeously, Members are asked to approve the appointment of Keppie Architects to complete the designs and to deliver the Planning Approvals for the relocation of the bowling club and green, subject to this meeting Council's Standing Orders, particularly in relation to the £30,000 limit for non-competitively tendered work.

- 7.4** In the event of any announcement by the Scottish Government and/or the Scottish Futures Trust that Local Authorities should provide expressions of interest or bids for any new capital builds, Members are asked to instruct officers to prepare a bid that complies with the details and conditions set out in this report with a view to obtaining 66.66% funding towards a new Dumbarton Academy, with the remaining 33.33% being funded through Prudential Borrowing.
- 7.5** Members are also asked to consider whether they wish to instruct officers to prepare a further bid which complies with the details and conditions set out in this report with a view to obtaining 50% funding towards a new co-located primary school, with the remaining 50% being funded through Prudential Borrowing, all subject to any Council decision in September 2009.
- 7.6** Members are asked to note that if 7.4 and 7.5 were both to be approved the total revenue commitment to the Council would be £1.155m per annum for 40 years.

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Appendices I – Option Appraisal: Potential sites in and around
Dumbarton
II – Artist’s impressions of Dumbarton Academy

Background Papers: None

Wards Affected: Ward 3

Available Sites Within Dumbarton Area

	Earliest Delivery	Net Cap Cost	recomm- endation
Existing Campus (Crosslet Road) + No need for formal consultation + Opportunity to improve traffic movement in the area + Expect no major Planning issues - No receipts - Need to relocate Bowling Club	2012/2013	£30-31m	preferred option
Posties Park +Good location +Spacious site, iconic +Would help regeneration of town centre - Poor infrastructure/surrounding road systems - Major footbridge structure needed - Land ownership issues - Planning restrictions could cause delays - Difficult to deliver within timescales	2013	£34(+5)m	not recommended
Garshake +/-Good location ? + Capital receipt for Crosslet Rd ? Dependant on HQ move to town centre - Demolition would be costly - Can't proceed until HQ move resolved - Difficult to deliver within timescales	2012-2014	£ 24m +	not recommended
Strathleven (land between A82 & A813) + Capital receipt for Crosslet Rd Regeneration Company has other development plans for site - Planning restrictions could cause delays - Difficult to deliver within timescales	timing issues	£30m +	not recommended
Strathleven (land south of A82) + Capital receipt for Crosslet Rd - Privately owned has other development plans for site - Land needs to be purchased - Planning restrictions could cause delays - Difficult to deliver within timescales	timing issues	£30m +	not recommended

	Delivery	Net Cap Cost	recomm- endation
Adjacent to castle + Capital receipt for Crosslet Rd - Privately owned has other development plans for site - Land needs to be purchased - Site restrictions – external sports facilities need to be off site - Difficult to deliver within timescales	-	-	not recommended
Crosslet House + Capital receipt for Crosslet Rd - Site too small - Tree Preservation Area - Access onto A82 would be difficult - Difficult to deliver within timescales	access issues		not recommended
Glasgow Rd – D'ton East (Allied Distillers) + Capital receipt for Crosslet Rd - Privately owned; no plans to develop/sell for 4/5 years - Land needs to be purchased - Planning restrictions could cause delays - Could not deliver within timescales	timing issues		not recommended
Havoc + Capital receipt for Crosslet - Contaminated land - Flood plain - Could not deliver within timescales	Contamination / flood plain		not recommended
Co-Location with OLSP HS + Capital receipt for Crosslet - Need OLSP site for sports pitches - Contaminated land - Flood plain - Could not deliver within timescales	Cost prohibitive	£40m+	not recommended





View of social space and reception



View to library



View of main dining area



View of upper level dining area

