

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Educational Services

Council: 30 January 2008

**Subject: Regeneration of West Dunbartonshire Schools' Estate:
"Phase 2"**

1. Purpose

1.1 The purposes of this report are:

- to present to Council options for "Phase 2" of the regeneration of the schools' estate;
- to seek Council's approval for the adoption of a strategic approach to "Phase 2" of the regeneration of the schools' estate;
- to seek Council's approval for the development of an action plan which will allow officers to progress the regeneration strategy;
- to seek Council's approval for officers to embark on a process of statutory consultation on the school closures, amalgamations, colocations and relocations which will be required to deliver the regeneration strategy.

2. Background

2.1 For many years, it has been acknowledged that West Dunbartonshire Council's schools' estate suffers from the twin problems of dilapidation and overcapacity. This was emphasised in the "INEA" report published in 2003 following the inspection of Her Majesty's Inspectors of Education (HMIe) into the education functions of West Dunbartonshire Council. The first recommendation of this report was that Elected Members should take steps to address these issues as a matter of urgency.

2.2 Over the last four years, Council officers have progressed a schools' Public Private Partnership (PPP) project which is scheduled to deliver new schools on 2009 and 2010. The chosen contractor (BAM PPP) will provide new build schools for Clydebank High School, Vale of Leven Academy and St Eunan's Primary School and Early Education and Childcare Centre (EECC). A new school (St Peter the Apostle High School) will also be built to replace the two denominational secondary schools in Clydebank (St Andrew's and St Columba's High Schools).

2.3 In October 2007, the Council's Planning Committee unanimously rejected BAM PPP's proposals for a new Dumbarton Academy and a new primary school to be formed by the amalgamation of Aitkenbar, Braehead and Dalreoch primary schools together with an EECC of the current Dumbarton Academy site. Subsequently, Council took the decision to drop this campus from the PPP project. However, Council also gave a commitment to find a

way of funding the construction of a new Dumbarton Academy as part of “Phase 2” of the regeneration of the schools’ estate.

- 2.4** Outwith the PPP project, Scottish Executive/Government School Fund grants and the Council’s own Capital budget have been used to upgrade other school buildings and to fund the construction of two new primary schools to replace the existing Bonhill and Goldenhill primary schools. These schools are scheduled for completion in 2009.
- 2.5** Council also agreed that officers should prepare a strategy for the regeneration of the remainder of the schools’ estate. The appendices to this Report provide details of the options considered and the recommended options with estimated costs at December 2007 prices. Early Education and Childcare Centres have been included in the options appraisal.

3. Main Issues

3.1 The Existing Schools’ Estate

3.1.1 The West Dunbartonshire schools’ estate currently comprises:

- 6 secondary schools (scheduled to become 5 in 2009 following the amalgamation of St Andrew’s and Saint Columba’s high schools);
- 34 primary schools (3 of which – St Eunan’s, Goldenhill and Bonhill – are already earmarked for new buildings);
- 3 Special Schools;
- 22 EECCs (10 of which are currently located within primary school buildings and one of which – St Eunan’s EECC - is scheduled for a new building under PPP);
- 11 Out of School Care services (“OOSC”), 7 of which are voluntary (including 1 voluntary at St Eunan’s EECC)

3.1.2 In the secondary sector, the Council is already committed to finding a way to fund a new building for Dumbarton Academy, which is currently in a poor physical condition. Our Lady and St Patrick’s High School has benefited from significant levels of funding over recent years to improve the fabric of the building, although some refurbishment is still required to bring some areas of the school up to modern standards. All other secondary schools are to be replaced as part of the PPP project.

3.1.3 In the primary sector, there is an unusual preponderance of small schools for a Local Authority located in the central belt. The smaller the school, the more expensive it is to run calculated on a per capita basis. Of the 31 schools which are not already scheduled for replacement, only 9 had rolls of over 250 pupils in September 2007; 16 had rolls of under 175 pupils and 3 had rolls of less than 100 pupils. Many of the smaller schools are located less than a mile from other schools and many of the schools are in a poor physical condition.

3.1.4 The Council’s three Special Schools require to be refurbished and upgraded.

3.1.5 The Council's Early Education and Childcare Centres vary greatly in condition and suitability.

3.2 Options Appraisal

3.2.1 In examining the options for further rationalising of the schools' estate, the following factors were considered for each school:

- school roll trends and projected roll in 5 years time;
- occupancy rate (roll as % of capacity);
- condition of school building;
- suitability of school building for modern education;
- proximity of school to other schools;
- community impact of change to school's status.

3.2.2 Having considered the factors listed in 3.2.1, the following options were considered for each school:

- refurbishment;
- adaptation;
- extension;
- merger/amalgamation;
- colocation of denominational and non-denominational schools;
- closure.

All options considered are provided in Appendix 1, with preferred options in bold type. Schools are differentiated geographically into 3 areas: Alexandria, Clydebank and Dumbarton.

3.2.3 The preferred options with provisional costs are given in Appendix 2, together with an indication of whether the costed option is considered to be a High, Medium or Low priority.

3.3 The New Schools' Estate

3.3.1 If all preferred options were achieved, West Dunbartonshire's new schools' estate would comprise:

- 5 secondary schools (previously 6);
- 27 primary schools on 24 sites, 6 of which are colocated on 3 sites (previously 34 schools on 34 separate sites);
- 3 special schools (unchanged);
- 19 EECCs (previously 22);
- 7 OOSCs (previously 11)

3.3.2 Specifically, the 3 geographical areas would contain the following educational establishments:

Alexandria:

Vale of Leven Academy;

Bonhill PS;

Gartocharn PS and EECC;

Highdykes/Ladyton PS amalgamation on St Ronan's site;
Levensvale/Christie Park PS amalgamation on Levensvale site;
Renton PS and Language Unit;
St Kessog's PS and Haldane/Jamestown PS co-location on St Kessog's site;
St Mary's/St Ronan's/St Martin's PS and Ferryfield EECC amalgamation on St Mary's site;

Ladyton Resources Unit and EECC;
St Martin's/Vale of Leven EECC amalgamation on St Martin's site;
Dalmonach EECC

Christie Park Resources Unit

Clydebank:

Clydebank High School;
St Peter the Apostle High School;

Clydemuir PS;
Gavinburn PS and EECC;
Goldenhill/Carleith PS amalgamation on Goldenhill site;
Kilbowie PS;
Linnvale PS and EECC;
Our Holy Redeemer PS;
Our Lady of Loretto PS;
St Eunan's PS and EECC on the St Peter the Apostle site;
St Joseph's PS and Edinbarnet PS co-location and EECC on St Joseph's site;
St Mary's PS;
St Stephen's PS;
Whitecrook PS;

Choices Project (at Skypoint);
Cunard School (at Whitecrook PS);
Kilpatrick School;

Carleith EECC and Psychological Services at the former Carleith PS;
Clydebank EECC;
Dalmuir EECC;
Kilbowie EECC;
Whitecrook EECC.

Dumbarton:

Dumbarton Academy;
Our Lady & St Patrick's HS;

Braehead/Dalreoch PS amalgamation and Meadowview Sensory Impairment Unit, Learning Support Unit and EECC on Braehead site;
Knoxland PS;

St Michael's PS;
St Patrick's PS;
St Peter's PS/Aitkenbar PS co-location and EECC on St Peter's site;

Brucehill EECC;
Garshake Nursery.

3.3.3 The total cost of achieving this solution would be approximately £ 103 million (£91 million for schools and £12 million for EECCs). Closures and amalgamations would generate capital receipts; these have been included in the overall costings. However, the revenue savings which would also be generated have not been factored into the costings at this stage.

3.4 Schools Estate Management Plan (SEMP)

3.4.1 The Scottish Government has instructed that all Scottish Local Authorities lodge updated SEMP's with them before the end of January 2008.

3.4.2 If Council approves this report, it is intended to include the attached Option Appraisals and Preferred Options Appendices within the SEMP for Scottish Government's considerations.

3.5 Proposal from Cordale Housing Association

3.5.1 The Council has recently engaged in preliminary discussions with Cordale Housing Association to consider the feasibility of the construction of a Community Primary School in Renton. The proposal from Cordale is that the school would be paid for, built and owned by the Housing Association but run by the Council. This matter requires further consideration on contractual, legal, financial and educational grounds. Because this proposal is at such an early phase of development, it has not been included in any of the appendices to this report.

4. Personnel Issues

4.1 Should Council elect to approve all or some of the preferred options (or any other option involving closure or amalgamation of schools) then the established departmental policy on the deployment of staff in closing or amalgamating schools would apply.

5. Financial Implications

5.1 As indicated in 3.3.2, the total cost of implementing all the preferred options would be approximately £103 million. The cost of implementing High Priority options only would be £56 million, while the cost of implementing High and Medium Priorities would be £89 million.

5.2 At the present time, it is not clear how such any such project might be funded. It is clear, however, that sources such as the Council's Capital Programme, the Schools Fund and funds generated through Prudential Borrowing would

be insufficient to deliver a project of the scale envisaged, even if only the High priority schools were to be included. Additional funding will undoubtedly be required from the Scottish Government or other sources if the Council's vision is to be realised.

- 5.3** The Scottish Government has recently launched a consultation exercise on the possibility of establishing a Scottish Futures Trust (SFT) to fund large scale capital building programmes in the future. The consultation paper is appended as Appendix 3. The closing date for consultation responses is 14 March 2008; most commentators believe that any resulting Trust is unlikely to be operational until well into 2009.
- 5.4** While the details of the SFT are being developed, the Scottish Government has made it clear that it will continue to support the Non Profit Distributing Organisation (NPDO) model of funding for public sector building projects. The NPDO model is a form of public/private financing which has been successfully implemented by 3 Scottish Local Authorities: Argyll and Bute, Falkirk and Aberdeen City Councils. Under the NPDO model, excess profits are diverted into an arms length organisation which will pursue agreed aims, generally of an educational nature.
- 5.5** If the Council were to decide to opt for an NPDO model, it would be necessary to approach the Scottish Government to seek approval for such a course of action and to establish the level of funding likely to be made available for such a project. An Outline Business Case would then require to be developed in a similar format to that which was prepared for the "Phase 1" PPP project. Timescales for the NPDO model would be similar to those which have applied under conventional PPP.
- 5.6** It should be noted that, while the Scottish Government has indicated that it will continue at present to support the NPDO funding model, it has not so far released any tranches of money to support NPDO schemes.
- 5.7** If the Council were to opt to wait for the SFT model to become available, then the likely timescales and financial implications cannot be estimated until the details of the new model become known.

6. Risk Analysis

- 6.1** The main risks if the Council does not decide to progress with a "Phase 2" plan are that:
- the quality of school buildings will continue to deteriorate;
 - problems of overcapacity and inefficiency will become even greater;
 - the Council's reputation will be damaged (the Council is due for a further INEA inspection by HMIE within the next year and HMIE will certainly report on the Council's progress towards regenerating the schools' estate);
 - ongoing significant expenditure to meet the costs of upgrading existing properties to wind and watertight conditions will continue on an annual

basis (total estimated expenditure required for the next 5 years is approximately £15 million);

- many pupils will continue to be educated in inadequate school buildings some of which are not compliant with the Disability Discrimination Act (DDA).

6.2 If the Council decides to pursue the NPDO route or the SFT solution, a full risk analysis would be an essential and ongoing aspect of the work undertaken by the responsible officers.

7. Conclusions

7.1 Despite the progress already made through PPP and other funding methods to regenerate West Dunbartonshire's schools' estate, there remains a considerable amount of work to be done. Many of the Council's school buildings are in a poor and deteriorating physical condition and the problem of overcapacity, with all the concomitant inefficiencies, still exists.

7.2 It is essential that the Council positions itself strategically to take advantage of any new funding streams which may become available.

7.3 The options recommended in the appendices to this Report would allow the Council to take a strategic view of schools' regeneration. If the recommended categorisation of preferred options into High, Medium and Low priorities is approved, then (subject to the required statutory consultations) the Council would be able to progress projects in order of priority as funding sources become available.

7.4 If the recommended options are adopted, and if all options could be funded, the Council would be left with a schools' estate which is modern and sustainable and which would allow Head Teachers, Heads of Centre and school and EECC staff to deliver high quality education in attractive physical environments, locally situated for the benefit of all communities in West Dunbartonshire.

7.5 In the absence of certainty about the nature and scale of any new funding streams to be made available by the Scottish Government, it is important that the Council continues to explore all other options for the generation of funds including Prudential Borrowing and the realisation of capital receipts.

8. Recommendations

8.1 It is recommended that Council should:

- i approve the recommended options as outlined in Appendix 2 to this report;**
- ii approve the categorisation of the options into High, Medium and Low priorities;**
- iii instruct officers to carry out the statutory consultations required**

- to allow the options to be implemented when funding sources become available;
- iv approach the Scottish Government with a bid for funds to support an NPDO project for new schools;
 - v authorise the Executive Director of Educational Services to secure the services of appropriate external advisers to assist with the development of any resulting bid as required;
 - vi continue to monitor the development of the Scottish Futures Trust model as a possible alternative to an NPDO project;
 - vii investigate any other methods by which funds might be raised (eg Prudential Borrowing and generation of capital receipts) which might allow some of the high priority options to be implemented;
 - viii approve the submission to the Scottish Government of the 2 appendices to this Report as part of the Council's Schools' Estate Management Plan (SEMP);
 - ix note that discussions between Council officers and representatives of Cordale Housing Association on the proposal by Cordale to build a community primary school in Renton will continue.

Terry Lanagan
Executive Director of Educational Services

Person to Contact: Dave Clarke, Manager of the Schools' Estate
Tel: 0141 952 5140
e-mail: david.clarke@west-dunbarton.gov.uk

Appendices: Appendix 1: Summary of Options Appraisal
Appendix 2: Preferred Options with provisional costs
Appendix 3: Scottish Futures Trust Consultation Paper

Background Papers: None

Wards Affected: All wards