

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Education Officer – Laura Mason

Educational Services Committee: Wednesday 9th June 2021

Subject: Learning Estate Improvement Plan

1. Purpose

- 1.1 The purpose of this report is to inform the Educational Services Committee the outcome of the Site Options Appraisal identifying a site to accommodate the proposed Faifley Campus.
- 1.2 In addition this report seeks approval to proceed to the next stage of the Project as set out in recommendations below.

2. Recommendations

2.1 It is recommended that Committee:

- i) Notes the outcome of Site Options Appraisal at **Appendix 1** which identifies a campus facility located on the St Joseph's Primary site incorporating:
- Edinbarnet P.S.;
 - St Joseph's P.S.;
 - Education Resource Centre (currently at Edinbarnet);
 - ELCC Provision (Auchnacraig/Lennox);
 - ASN Facility (currently at St Joseph's);
 - Community Library; and
 - Community space.
- ii) Notes the affordability of the proposed site as per '**Appendix 2. Financial Summary**' as outlined at 7.7 below;
- iii) Agrees that the St Joseph's Primary site be taken forward as the potential campus provision and authorises the Chief Education Officer to progress with preparation for the Statutory Consultation process to be launched at a future Educational Services Committee;
- iv) Notes that the Learning Estate Board 30 March 2021, agreed to progress with adopting hub West Scotland as the preferred route to market and
- v) Authorises the Chief Education Officer to develop the design and thereafter tender the same through hub West Scotland procurement route with a report being brought to a future tendering committee to allow the contract to be placed following the conclusion of both the Statutory Consultation process and the Council obtaining suitable offer of grant funding from the Scottish Government.

3. Background

- 3.1** A report was brought to March 2020 Education Services Committee setting out the Learning Estate Strategy 2020-2030 which was approved at Committee.
- 3.2** Within the Learning Estate Strategy a priority project was identified to deliver a new Faifley Campus.
- 3.3** Subject to affordability of all elements the new Campus provision would incorporate:
- Edinbarnet P.S.;
 - St Joseph's P.S.;
 - Education Resource Centre (currently at Edinbarnet);
 - ELCC Provision (Auchnacraig/Lennox);
 - ASN Facility (currently at St Joseph's);
 - Community Library; and
 - Community space.
- 3.4** Since May 2020 officers have been working on a Technical Design Feasibility study considering options for a new build campus looking at three existing sites, Edinbarnet, St Joseph's and Skypoint which could all accommodate the Project.
- 3.5** The General Services Capital Plan update 2020/2021 to 2029/2030 was approved at Council 22 March 2021 identifying a budget figure of £28,860,000.

4. Main Issues

- 4.1** The new Faifley Campus design seeks to implement the creation of an accessible and inclusive community hub, fully integrated as part of the local community and drawing together key support services within a single location.
- 4.2** There are currently four options spread across three sites (Skypoint community centre, Edinbarnet PS & Auchnacraig ELCC and St Joseph's PS) for the Faifley joint campus. They range in both size and complexity and have a site development area ranging from 20,250m² to 48,400m² and will combine the two existing primary schools, have ELCC provision and ASN base, along with Community space including Library provision.
- 4.3** The design report (**Appendix 3**) was produced to address the specific funding requirements set out in the Scottish Future Trust's (on behalf of the Scottish Government) Learning Estate Improvement Plan (LEIP) funding readiness Questionnaire Template to address the key funding criteria and the Council's approach to:

- Site Options Appraisal;
- Scottish Futures Trust Funding Metrics & Budget;
- Programme;
- Future Maintenance & whole lifecycle cost;
- Low carbon construction approach; and
- Digital Strategy.

Due to constraints identified at the Edinbarnet Site through the Technical Design Feasibility Study, two models were considered for development on the site. The first model accommodates a tandem build on-site, and the second model would be delivered via a decant option.

The table below sets out high level advantages / disadvantages taken from the site options appraisal information, the full details of which can be found on pages 17 – 37 of the design report:

Site	Advantages	Disadvantages
<u>Edinbarnet / Auchnacraig Site</u>	<ul style="list-style-type: none"> • Large site and opportunity for tandem build. • Access to woodland area to enhance outdoor learning could be exploited as part of new facility • Multiple points of access and relationship with primary and secondary roads. • Proximity to Faifley road offering good public transport links and footpath network. 	<ul style="list-style-type: none"> • Constraints limiting the opportunity for new construction (northern end of site), or have potential to add significant costs to development in the location (ie overhead pylons, main water trunk pipework wayleave). • Elevation of site would require more complex civil design, to address any potential privacy/ overlooking issues. • Approach and connectivity to Faifley Road would require to be addressed to ensure and inclusive and accessible facility is created through the new facility.
<u>Edinbarnet / Auchnacraig Site</u> (Decant Option)	<ul style="list-style-type: none"> • Decant option could provide opportunity for development on site more effectively. 	<ul style="list-style-type: none"> • Constraints limiting the opportunity for new construction, or have potential to add

	<ul style="list-style-type: none"> • Access to woodland area to enhance outdoor learning could be exploited as part of new facility. • Multiple points of access and relationship with primary and secondary roads. • Proximity to Faifley road offering good public transport links and footpath network • Decant option allows a new campus provision to sit centrally within the site. The car park could then stem directly from Faifley Road, footpaths to connect to periphery of school. • This option negates the need to interface with Services identified to North of the site. 	<p>significant costs to development in the location (i.e. overhead pylons, main water trunk pipework wayleave).</p> <ul style="list-style-type: none"> • Elevation of site would require more complex civil design, to address any potential privacy/ overlooking issues. • Approach and connectivity to Faifley Road would require to be addressed to ensure and inclusive and accessible facility is created through the new facility. • Increased costs due to decant, (potential provision of portacabins/site set up costs etc). • Disruption to children being decanted.
<p><u>St Joseph's Site</u></p>	<ul style="list-style-type: none"> • Site offers Tandem build opportunities. • Accessed directly from Faifley Road • Good public transport links. • Good links to footpath • Opportunity for pupils and parents to walk to school • Proximity to Religious Centre 	<ul style="list-style-type: none"> • No significant constraints that would have a disadvantage to developing on this site. • Housing development on Hart Street is relatively close to school curtilage prompting the requirement for reasonable offset to mitigate against any overlooking / privacy issues. However the school would be located to the north of the housing avoiding

		any overshadowing issues.
<u>Skypoint Site</u>	<ul style="list-style-type: none"> • Central location within the Faifley area. • Opportunity to create wider Community Campus provision within the 'Heart' of the town. • Existing community allotment provision. • Large parcel of land, southerly views to be exploited in design and benefits for passive environmental aspects in the building solution. 	<ul style="list-style-type: none"> • Traffic Management issues. • Potential site access constraints • Access to public transport links • Potential requirement for parking restrictions. • Due to level of site potential overlooking issues re properties on Abbeylands Road.

4.4 There is a requirement for budget provision in relation to any roads infrastructure/upgrades to support a new campus provision. This has been factored into the capital costs for each of the three sites.

4.5 The costs for all four options have been provided within the design report, which take into consideration the development and construction programme requirements to have the building operational by Spring/Summer 2025 (as per Scottish Futures Trust (SFT) Funding criteria). The total estimated capital costs for development of the project, including estimates of required roads infrastructure improvements, are in the range of £29.408m to £33.921m dependent on which option is selected. This is shown in more detail at **Appendix 2 – Financial Summary**.

4.6 The Council was notified on 18 December 2020 that the Faifley Campus Project would qualify for a share of the LEIP funding, subject to meeting all targets and metrics within the funding criteria.

4.7 SFT has advised that the Faifley Campus project will qualify for funding on a like for like basis for both of the Primary school elements, the Additional Support Needs (ASN), the Early Learning and Child Care (ELCC), and the Library provisions. The wider community space provision is excluded from the funding allocation although there is an expectation that community space is delivered as a requirement of the overall project.

4.8 An indicative funding revenue contribution has been received from the Scottish Futures Trust which states that the Council should anticipate receiving a total funding contribution of £18,416,237 which will be smoothed over a 25 year period commencing in FY24/25. This will be available on the achievement of the four agreed outcomes:

- Maintaining the facility in condition A/B for a 25-year period;
- Achieving the energy target of 67kwh/sqm/annum for core hours/core facilities;
- Ensuring the underlying infrastructure can support 1Gbps to at least one point within learning and teaching space; and
- The project supporting a number of new jobs relative to the size of investment, as per CITB benchmarks.

Ahead of the construction contract being awarded, a formal grant award letter will be issued from Scottish Government for consideration and sign off by the Council. This will include further details of the funding and how it is linked to the agreed outcomes being achieved. The required evidence and monitoring regimes will also be outlined.

- 4.9** The Scottish Government funding is dependent on the project delivering on the four agreed outcomes summarised at 4.8 above. In the event that these outcomes are not achieved in full, only a proportionate level of funding will be available. This would reduce the Scottish Government revenue support though any such reductions are not permanent should conditions be retrieved. Local Authorities must provide evidence e.g. through their annual returns that the facility is kept in Condition A or B for a period of 25 years. In recognition of the potential for survey issues to be identified, removal of funding would be suspended for one year to allow rectification of any issues leading to a C condition rating. The funding would be reinstated the next financial year, once it could be demonstrated that the facility was in A/B condition again. The same principle would apply for the remaining three agreed funding outcomes as detailed in the Learning Estate Improvement Plan – Metrics, Terms and Conditions – Funding Outcomes noted as **Appendix 4**.
- 4.10** Based on previous recommendations from committee, officers considered a number of variants on each site as part of the options appraisal. The site options appraisal has been carried out and detailed at **Appendix 1**. For each site, a group of officers from Finance, Planning, Capital Investment, Asset Management, Roads and Education considered 7 different variants according to agreed criteria. The variants were considered whilst discussions with SFT clarified the funding model, and provided options of what was to be included on each site. Once funding conditions had been clarified by SFT, some variants would not have met the conditions and were excluded. This resulted in a list of four options.
- 4.11** The future operating costs compared to existing operating costs will be higher (shown in 7.6 below), but this is offset across the benefits of moving to the new campus.
- 4.12** The four options have been scored in terms of Financial Assessment, Educational Benefits, West Dunbartonshire's Strategic Objectives, Statutory and Regulatory and Site Information, Condition and Constraints of development.

- 4.13** The Learning Estate Strategy 2020-2030 focusses on the continued delivery of high quality 21st century learning environments which meet the needs of individual children and the wider community. These improved, flexible and adaptable learning environments will support learning, teaching and assessment across the curriculum. The aspiration is that our learning estate will provide facilities which are accessible to and used by our communities all day, every day.
- 4.14** Engagement with Head Teachers and Parent Council Chairs of both Primary schools and the ELCC's impacted by the potential new campus provision took place summer 2020.
- 4.15** During February 2021 virtual engagement sessions took place with the local community including all community groups to seek initial feedback on the proposal of a Campus provision located within one of the three existing sites.

Four sessions were held, attended by a total of 25 participants. Comments were received in a number of areas:

- Traffic management around the Skypoint site;
- Use of the facilities by community and sporting groups;
- Site adjacencies, and proximity to existing housing;
- What would happen to sites not being used in the future;
- The provision of space for ASN pupils;
- Proximity of the chosen site to the chapel; and
- How accessible the community space and library would be to the community.

- 4.16** A survey was also made available online to gauge feedback and the data can be noted as follows:

There were 243 responses to the online survey. Of those who responded, 6 responded representing groups.

When asked if they had children attending nursery/school at the moment, 42.4% of respondents did not, meaning that opinion was given on the options by individuals who do not regularly use the facilities for Educational purposes. 28% had children at St. Joseph's, 20.2% children at Edinbarnet, and 22.6% children at Auchnacraig. .

When asked which site would be preferred, 49.4% favoured the Edinbarnet/Auchnacraig site, 30.5% favoured the St. Joseph's site, with 20.1% favouring the Skypoint site. It should be noted that the largest group of stakeholders make use of the existing Edinbarnet site, as it houses Edinbarnet Primary, Auchnacraig ELCC and the Library.

- 4.17** Further consultation with tenants of Skypoint will take place to understand their ongoing long term needs and access to commercial community space offered within the proposed Campus setting or in other locations.

- 4.18** The next stage of the project would be to take forward a statutory consultation on the agreed site. As established by the Schools (Consultation) (Scotland) Act 2010, we have to date been engaged in a series of activities that the act would define as ‘pre-consultation’, in an effort to refine a wider range of possible options for the school estate into which one of these should become a statutory proposal. Agreement to proceed to statutory consultation on one option would ensure clarity amongst stakeholders concerning what is being proposed.
- 4.19** The overall indicative timeline for the Faifley Campus is as follows based on the recommended site being taken forward to Statutory Consultation:

<u>Activity</u>	<u>Date</u>
Detailed Site Investigations on recommended site	July 2021
Appointment of Design Team	July 2021
Appointment of Main Contractor	August 2021
Launch Statutory Consultation Process – Education Committee	September 2021
Initial Design Development	September 2021
Outcome of Statutory Consultation – Education Committee	March 2022
Detailed Design Development	May 2022
Approval of Final Design Detail	September 2022
Tender Period Commencement	December 2022
Financial Close	July 2023
Phase 1 Commencement	September 2023
Phase 1 Completion	December 2024
Phase 2 Commencement	January 2025
Phase 2 Completion	October 2025
Campus Facility Operational	Autumn 2025

Our ability to confirm affordability was dependent on the outcome of confirmation of SFT funding figure which was only received in April this year, this was later than anticipated. Any further delays will impact on the overall programme and could have a financial risk in terms of achieving the end of 2025 completion date which is a condition of funding and market conditions in terms of inflationary increases around tender packages.

5. Option Appraisal

- 5.1** The options appraisal considered both financial and non-financial issues.
- 5.2** The Options Appraisal scores the options with/without the LEIP Phase 2 non-supported elements. Community provision funding within the Faifley Campus has been allocated against the Library element and does not cover the wider community areas. There is an expectation that community space is delivered as a requirement of the overall project however would require to be funded via Council capital budget.

5.3 The scoring methodology rates the non-financial aspects being considered on a 0 to 5 scale with 0 being the least favourable and 5 being the most favourable.

5.4 The options appraisal concludes that the most favourable option in this exercise would be the St Joseph's site incorporating:

- Edinbarnet P.S.;
- St Joseph's P.S.;
- Education Resource Centre (currently at Edinbarnet);
- ELCC Provision (Auchnacraig/Lennox);
- ASN Facility (currently at St Joseph's);
- Community Library; and
- Community space.

The ranking order had this option as the most favourable both with and without financial factors being considered in the scoring.

6. People Implications

6.1 Staff currently employed in the existing establishments will as far as is possible within current staffing standards, be re-deployed to the new Campus provision. Those who cannot be accommodated within the new campus will be re-deployed as per the Council's Switch policy. This is likely to impact mainly on Facilities Management staff (cleaning, catering and janitorial).

7. Financial and Procurement Implications

7.1 As advised above the Council's capital plan includes a sum of £28.860m for the proposed new campus. During discussions with Roads colleagues around the options it has been advised that due to increased traffic to all of the three site options there will be a requirement for roads capital investment to allow the surrounding roads to deal with the projected additional traffic. The advised estimated investment for the roads works required are approximately: £1m at St Joseph's, £1.255m at Edinbarnet and £2.1m at Skypoint. These costs are included in the capital cost estimates provided in **Appendix 2**.

7.2 Different capital receipts will arise for each option as different combinations of sites become available to sell. The receipts associated with each option are shown in appendix 2. The value of estimated receipts range from £0.7m to £1.7m. These values are preliminary estimates based on sale for social residential building. In accordance with current Council policy on the use of capital receipts these have not been used in the financial modelling but are provided for information.

7.3 As advised above the Scottish Government funding available to assist with the funding of this development is in the form of a revenue stream over a 25 year period which will offset part of the revenue impact of the cost of the development (loan charges) and the overall running costs of the new campus in terms of ongoing maintenance requirements to meet the terms of the funding provision as defined in the report above. As advised above, the SFT

has advised of an indicative revenue funding for the project of £18.416m and this has been used to model the financial implications for the Council.

7.4 Our financial modelling of the options is based on a 60 year period reflecting the period over which we would repay the initial borrowing incurred to finance the capital expenditure. Based upon the projected financial summary (summarised as **Appendix 2**) it can be seen that the proposed project as defined above results in additional annual revenue cost to the Council ranging between £0.524m and £0.643m. As stated above these costs include the Council's cost of borrowing of the equivalent of the capital investment. This would have also been the case had the Scottish Government been able to provide capital investment as in previous rounds of investment a number of years ago. So taking account of the effect of the cost the equivalent of 50% of the borrowing costs the net additional cost to the Council of the four options range from £0.135m to £0.210m. It should be noted that these costs include the capital investment required on the roads works described at 7.1 above and in the elements of the development not included in the SFT's like-for-like funding.

7.5 While the financial modelling includes standard items like property costs, FM costs, insurance and borrowing costs they exclude backlog maintenance costs or life cycle maintenance costs as the comparison of costs has been done on a net revenue impact and the backlog maintenance costs and lifecycle maintenance costs would typically be funded by future capital as and when required and to be added to future capital plans as required. For the existing properties this is the backlog maintenance cost and this is estimated at around £14.7m over the 60 year period. The comparable cost for the new campus provision (lifecycle maintenance) is £10.5m over the 60 year period.

7.6 As is advised above the Scottish Government funding is aligned with certain elements of the proposed full development and excludes the cost of community provision space other than library provision. In theory the Council has the option therefore to develop the new campus without these elements – as effectively these are being fully funded by the Council. For information if the four options were developed without the elements excluding the Scottish Government funding support then the costs would be:

	Capital	Avg. Annual Cost over 60 years	Avg. Annual Cost of Funding 50% of capital cost	Avg. Annual Net Financial Impact
St Joseph's	£22.921m	£0.402m	£0.293m	£0.109m
Edinbarnet	£24.811m	£0.454m	£0.317m	£0.137m
Decant	£26.777m	£0.505m	£0.342m	£0.163m
Skypoint	£24.173m	£0.404m	£0.309m	£0.095m

7.7 The net additional annual cost to the Council of the four options being considered - after allowing for loan charges over 60 years and SFT funding for 25 years - range from £0.135m to £0.210m. Although all four options represent an increase in the Council's expenditure it is felt that this is both

acceptable and affordable. The new facility will provide integrated provision encompassing education, community and family. This matches the principle of a whole systems model of support providing a service for a community within a community and facilitating an equitable access to service provision, empowering communities to engage, flourish and thrive.

7.8 Procurement Implications

Further approvals will be sought from Educational Services Committee with regards to specific approval to progress stages of the project and Tendering Committee on award of the phased contract. However the current approval sought would allow for full design development up to an including preparation and issue of Tender.

8. Risk Analysis

8.1 Failure to address the priority project identified in the Learning Estate Strategy 2020-2030 for the Faifley area will lead to pupils being taught in learning environments which will not facilitate the best outcomes for pupils and may cause reputational damage to the Council.

8.2 Non compliance with the terms and conditions of SFT funding criteria may have an impact on financial position of the project and the revenue position of the Council in future years. In particular the funding model proposed introduces a number of building performance and condition standards which require to be met on an ongoing basis in order to secure full funding. This risk will require to be mitigated through future approaches to building maintenance and operating procedures.

8.3 Any potential capital cost increase will be monitored and reported in line with SFT funding approach.

8.4 There is a risk that the financial modelling into the future is inaccurate, this will be monitored and any issues will be reported as they arise.

8.5 Should there be a delay in identifying a single site to be taken forward for Statutory Consultation, the anticipated timescales noted in paragraph 4.19 would not be met, with the likelihood that the project would not comply with the deadline for the school to be operational in line with funding requirements, unless potentially abortive design costs for one or more sites were incurred. Due to the potentially critical impact on the project otherwise, officers strongly recommend that, in the event of a decision not to proceed in line with the identification of a single site for consultation, then the design process for all possible sites would continue, on the understanding that this would involve substantial abortive costs.

9. Equalities Impact Assessment (EIA)

9.1 There is an anticipated positive impact generated for all protected characteristic groups, with the exception of Civil Partnership / Marriage as this was considered not applicable to the new build Faifley Campus development.

The assessment has not identified any potential for discrimination or adverse impact and due regard has been paid to available opportunities to advance equality have been taken.

10. Environmental Sustainability

10.1 The Strategic Environmental Assessment legislation is not required for the purpose of this report but will be considered and taken into account as part of the planning application process.

11. Consultation

11.1 Consultations have been undertaken with officers from Planning, Roads Assets, Finance, Legal, Procurement and Education Services.

11.2 Virtual public engagement sessions with the local community took place in February 2020.

12. Strategic Assessment

12.1 This report reflects the Council's Strategic Priorities for 2017 – 2022, to have a strong local economy, improved employment opportunities and efficient and effective frontline services that improve everyday life for residents.

Chief Education Officer

Date:

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Appendices: Appendix 1 – Options Appraisal
Appendix 2 – Financial Summary
Appendix 3 – Design Feasibility Report
Appendix 4 – Learning Estate
Improvement Plan – Metrics, Terms and
Conditions – Funding Outcomes
Appendix 5 – Equalities Impact
Assessment

Background Papers: Learning Estate Strategy 2020-30
CPU Contract Strategy April 2021

Wards Affected All Wards

