

Education, Children and Families Committee

10am, Tuesday, 9 December 2014

Fox Covert Primary Schools – New Nursery

Item number	7.11
Report number	
Executive/routine	Executive
Wards	Ward 3 Drumbrae/Gyle

Executive summary

On 1 May 2014 Council approved that a new 40/40 nursery class be established at Fox Covert Primary Schools with provision also being made for under 3's; the total cost was estimated to be £1.074m.

A partnership nursery (Fox Covert Nursery) currently operates from an existing building within the Fox Covert Primary Schools campus grounds and provides a separate 30/30 nursery class. The opportunity has been identified to deliver a 70/70 nursery building at a cost of £1.499m which would allow the opportunity for a fully integrated early years service to be provided on the school site in a single building.

The purpose of this report is to seek the approval of Committee to this proposal. If approved, during the period when the new building is being constructed the Council would work with the existing Fox Covert Nursery to co-create the vision for the service which would operate from the combined centre and establish how this would be delivered including the implications of this approach for the existing nursery staff.

Links

Coalition pledges	P1 and P6
Council outcomes	C01 and C02
Single Outcome Agreement	S03

Fox Covert Primary Schools – New Nursery

Recommendations

- 1.1 Approve the revised cost of £1,499,000 and the associated sources of funding set out in this report to deliver a new 70/70 nursery with provision also being made for under 3's.

Background

- 2.1 On [10 December 2013](#) the Education, Children and Families Committee approved that a statutory consultation should be carried out regarding the establishment of a new nursery class at Fox Covert Primary Schools. At Fox Covert the site is a joint campus between Fox Covert Primary School and Fox Covert RC Primary School. The Education, Children and Families Committee also approved a cost of delivering the new nursery of £1,074,000.
- 2.2 The statutory consultation period ran from Monday 16 December 2013 to 12 February 2014 with the outcome being reported to Council on [1 May 2014](#) when Council approved that a new 40/40 nursery class be established at Fox Covert Primary Schools with provision also being made for under 3's.
- 2.3 A partnership nursery (Fox Covert Nursery) currently operates from an existing building within the Fox Covert campus grounds and provides a separate 30/30 nursery class. The opportunity has been identified to deliver a 70/70 nursery building at a cost of £1.499m allowing the opportunity for a fully integrated early years service to be provided on the school site in a single building.
- 2.4 The purpose of this report is to seek the approval of Committee to this proposal. If approved, during the period when the new building is being constructed the Council would work with the existing Fox Covert Nursery to co-create the vision for the service which would operate from the combined centre and establish how this would be delivered including the implications for the existing nursery staff.

Main report

- 3.1 Following the approval of Council on 1 May 2014, the project to deliver a new nursery class at Fox Covert Primary Schools was initiated, the scope being to deliver a 40/40 nursery class with provision also being made for under 3's.
- 3.2 Hub South East Scotland Limited (HSESL) was engaged to deliver the new nursery together with a replacement nursery at Duddingston Primary School, a new nursery at Wardie Primary School and a new gym at Blackhall Primary School. HSESL has very successfully delivered the first two phases of the

primary school rising rolls project and were commissioned to deliver phase three. The hub process involves less risk in the timing of delivery as it does not involve the necessity for a protracted procurement process. However, the process still allows value for money to be achieved through external benchmarking.

- 3.3 A working group was established involving staff and parent representatives from both primary schools and the Chairperson of the existing Fox Covert Nursery. The working group has met several times also involving input from the HSESL design team.
- 3.4 One of the key first tasks for the working group was to agree the location for the new nursery. A number of options were considered and different opinions were expressed with a final location for the new building and its orientation having been determined and agreed for both operational and technical reasons. The location is broadly the same as that indicated during the statutory consultation.
- 3.5 Operationally the orientation of the building allows for the entrance to be easily visible and accessible and allows the design to easily accommodate a route through the building to the external play area. Both Head Teachers were keen to keep the entrance to the nursery as close as possible to the main school entrance. In planning terms, the chosen location and orientation has an impact on the least number of neighbouring properties.
- 3.6 There is a considerable slope on the site in a number of directions which creates technical difficulties in delivering a flat platform for the new nursery building and the external playground area and for it to be connected into existing drainage systems. Whilst the chosen location will entail significant costs to accommodate the slope; the technical difficulties and costs associated with other locations on the site would have been considerably higher.
- 3.7 A partnership nursery (Fox Covert Nursery) currently operates from an existing building within the Fox Covert campus grounds and provides 30 morning and 30 afternoon places. During the statutory consultation some concerns were expressed regarding the viability of this nursery to stay open however the report to Council on 1 May 2014 made it clear that, based on the anticipated demand for places in the area, there would be a need for both services to deliver the required statutory nursery provision. The commitment to the ongoing support and development of the current Fox Covert Nursery was confirmed together with the intention to continue to work with them to provide a more flexible, integrated and effective learning and childcare service for the children and families across this area of the city.
- 3.8 At its meeting on 1 May 2014 Council requested that a further report be taken to the Education, Children and Families Committee on how the Council could work in a co-operative fashion and integrate delivery of nursery provision in the Fox Covert area with the existing partner provider. It is anticipated that this report will be taken to Committee in early 2015.

- 3.9 The Fox Covert Nursery currently operates from a building within the existing campus which it leases from the Council. The building is in relatively poor condition therefore there would be logic in all nursery provision on the school site being provided from a single combined new building.
- 3.10 Discussions have taken place with the chair of the parent group and the manager of the Fox Covert Nursery regarding the possibility of a larger combined new nursery being delivered and what that would mean for them. It is the intention to establish a joint board that would co-create the vision for the service and enable a combined centre to be developed that would be open all year and be able to provide flexible learning and childcare opportunities for families. The very good parental involvement which is currently taking place in the partner nursery would be replicated in the new combined centre. Whilst the full implications of this approach, including for the existing nursery staff, have yet to be considered the possibility of creating a combined nursery has been positively received and is considered a very realistic proposition and opportunity.
- 3.11 With that in mind consideration has been given to how the design of the new nursery can be future-proofed to ensure that, if the decision was taken in the future to integrate the services currently provided by Fox Covert Nursery with that proposed in the new nursery, this could be delivered from a single, larger building which would allow all nursery provision within the school site to be provided in the one location with the existing nursery building being demolished.
- 3.12 Taking into consideration the optimum location and orientation of the building on the site it was concluded that the best way to achieve a design which would be easily extendable in the future would be to incorporate the majority of the ancillary spaces required to support a larger building (such as toilets, storage and plant) into the design from the outset. A future extension would then require to provide only the additional nursery class space together with the necessary craft sinks and kitchen areas.
- 3.13 The plan showing how this could be best achieved is shown in Appendix 1. If this was delivered on a phased basis, all accommodation shown in the drawing from the left up to point 6 would be delivered as a first phase having an internal floor area of 416m² this being sufficient accommodation to provide 40 morning and 40 afternoon spaces together with additional accommodation for under 3's. If the building was to then be subsequently extended to provide a further 30 morning and 30 afternoon spaces, the additional internal floor area which would require to be provided (that shown between points 6 and 7 on the drawing) is approximately 92m² resulting in a total internal floor area of 508m².
- 3.14 The existing approved budget for the new nursery is £1,074,000 which was derived by applying an assumed all-in rate of £3,000/m² to the anticipated internal space requirement of 358m². The estimated cost of delivering a new nursery building which is future proofed and easily expandable in the future is £1,324,000 which is equivalent to an all-in rate of £3,183/m². There are two reasons for the increase in costs of £250,000:

- 3.14.1 The total area of the building has had to be increased by 58m² to allow it to be readily extended in the future; and
- 3.14.2 There are very significant 'abnormal' costs which are estimated will arise due to the nature of the site which presents issues which are not faced for other new nurseries such as those at Duddingston and Wardie Primary Schools. The site is diagonally sloping and with the preferred location there requires to be an element of cut and fill, with an under-building of up to 1.5m² required to the north-west corner. The site investigations have indicated that the nature of the ground on which the building would be constructed means that more complex foundations will be required with drainage also causing an issue as a pumped solution may be necessary rather than a normal gravity based system.
- 3.15 The various 'abnormal' issues which have arisen add an estimated £145,000 to the cost of the new nursery. It should be noted that the majority of these additional abnormal costs would arise even if a standard sized building of 358m² which was not future-proofed and expandable was to be constructed.
- 3.16 The estimated cost of delivering a full sized new 70/70 nursery building from the outset is £1,499,000 which is equivalent to an all-in rate of £2,951/m². This building would have a capacity to provide 70 morning and 70 afternoon spaces together with additional accommodation for under 3's. Whilst this would represent a further additional cost of £175,000 (when compared with the revised cost for an extendable 40/40 nursery building) this would be considerably cheaper than constructing the additional 30/30 classroom and kitchen area at a later date as that would require the existing cladding to be removed and the new space to be tied into the existing structure. This would also negate the disruption which future extension works would entail to the daily running of the schools and nursery.
- 3.17 It is therefore recommended that the new nursery building to be delivered on the Fox Covert campus be increased to have a capacity to provide 70 morning and 70 afternoon spaces together with additional accommodation for under 3's. This would allow the opportunity for a fully integrated early years service to be provided on the school site in a single building. During the period when the new building was being constructed the Council would work with the existing Fox Covert Nursery to co-create the vision for the service which would operate from the combined centre and establish how this would be delivered including the implications of this approach for the existing nursery staff.
- 3.18 The cost of providing this larger accommodation is estimated at £1,499,000 which is an increase of £425,000 compared with the existing budget however in excess of £100,000 of this increase can be attributed to the exceptional 'abnormal' costs associated with delivering a new nursery on this particular site.

3.19 An analysis of the proposed sources of funding for the revised total cost of £1,499,000 is shown below, together with a comparison with the original proposal as reported to, and approved by, the Education, Children and Families Committee on 10 December 2013.

	Original £	Revised £
Early Years Contingency Funding in existing approved Capital Investment Programme	243,000	243,000
Early Years Change Fund	200,000	200,000
Capital receipts generated from the closure of nursery schools which were ring-fenced for reinvestment in the early years estate	562,000	562,000
Additional Scottish Government funding (see below)	69,000	494,000
Total cost	£1,074,000	£1,499,000

3.20 The Children and Young People (Scotland) Act 2014 sets out the requirement to expand free nursery provision from 475 hours to 600 hours a year for all three and four year olds and for certain two year olds. The Scottish Government has provided additional capital funding to the Council to respond to the necessity to deliver additional capacity across the estate as a result of these new requirements. The additional capital funding which has already been confirmed as being available is £7,498,218 with further funding likely to be provided.

3.21 At its meeting on [11 September 2014](#) the Education, Children and Families Committee approved projects to replace and/or expand early years facilities at five locations at an estimated total cost of £5,247,000. Of the capital funding already provided by the Scottish Government this left a balance of £2,251,218 together with any further additional capital funding which may still be forthcoming, regarding which a prioritised use has still to be identified. It is proposed that the additional £494,000 required to fund this enhanced project would be met from this balance.

Measures of success

4.1 The success of the establishment of a nursery class at Fox Covert Primary Schools will be measured by:

4.1.1 increased capacity to deliver early learning and childcare to meet increased demand across the City of Edinburgh Council area;

4.1.2 increased capacity to deliver early learning and childcare; recently increased from 475 hours to 600 hours a year from August 2014 for all

three and four year olds as set out in the Children and Young People (Scotland) Act 2014;

- 4.1.3 more capacity to deliver future requirements to provide 600 hours of early learning and childcare for two year olds;
- 4.1.4 additional capacity for parents in an area where Council nursery provision is currently limited but where demand is high;
- 4.1.5 increased opportunities for improved learning experiences for children in line with Curriculum for Excellence across the early level;
- 4.1.6 the opportunity to co-create an integrated facility providing early learning and affordable childcare all year round for families; and
- 4.1.7 delivery of the new nursery on time, within budget and to the necessary quality.

Financial impact

- 5.1 The report outlines total capital expenditure plans of £1.499m. This is to be funded from a combination of resources which are core capital funding (£0.243m), capital funded from current revenue (£0.2m), ring-fenced capital receipts (£0.562m) and Scottish Government funding (£0.494m). If the core capital element were to be funded fully by borrowing, the overall loan charges associated with this expenditure over a 20 year period would be a principal amount of £0.243m and interest of £0.157m, resulting in a total cost of £0.4m based on a loans fund interest rate of 5.1%. The annual loan charges would be £0.02m.
- 5.2 The resources to fund the overall capital expenditure plans in this report form part of the approved capital investment programme. Provision for funding the core capital element will be met from the revenue loan charges budget earmarked to meet overall capital investment programme borrowing costs.
- 5.3 The staffing cost of the new nursery class will be funded from the additional allocation to the General Revenue budget from the Scottish Government for the implementation of the increased entitlement of early learning and childcare.

Risk, policy, compliance and governance impact

- 6.1 The recommendations in this report do not impact on an existing policy of the Council and there are no health and safety, governance, compliance or regulatory implications that elected members need to take into account when reaching their decision.
- 6.2 All Children and Families capital projects are delivered in line with the Council's Risk Management Policy and Framework. Ensuring sufficient accommodation for early years provision is the key objective and statutory requirement and there is a significant reputational risk to the Council if this is not achieved.
- 6.3 Delivery of this project (as part of a wider programme of related activity) is being overseen by an Investment Steering Group which operates based on the project

management principles of Prince 2. The consideration and management of risk is undertaken through this group.

- 6.4 There is a risk that the larger facility is constructed but it is not possible to reach agreement with Fox Covert Nursery regarding the provision of an integrated service from a single building. Whilst the risk of this occurring is considered to be low, were this to arise and the existing Fox Covert Nursery was retained the larger facility would still provide helpful additional capacity in the area.
- 6.5 The contractors delivering the accommodation will operate in accordance with all relevant legislative and health and safety requirements and have community engagement policies. The school and local community will be kept informed of any issues that arise during the construction process.
- 6.6 The engagement of hub South East Scotland Ltd for delivery of the new build accommodation reduced the risk of project delay as procurement timescales are reduced and provides a considerable degree of cost certainty by establishing affordability caps prior to the finalisation of contracts.

Equalities impact

- 7.1 There are no negative equality or human rights impacts arising from this report. The provision of additional resources on the Fox Covert campus will create additional accommodation to meet demand and improve access to early learning and childcare for children and their parents in this area of the city.

Sustainability impact

- 8.1 There are no impacts on carbon, adaptation to climate change or sustainable development arising directly from this report. Whilst this proposal sees the addition of a new building, the purpose is to create additional accommodation to meet demand. The new building is being designed to minimise the impact on carbon emissions and energy consumption.

Consultation and engagement

- 9.1 Consultation has been undertaken with the school community as part of the design development process and will continue during the planning and implementation phases.
- 9.2 A working group involving staff and parent representatives from both primary schools and the Chairperson of the existing Fox Covert Nursery has been established to act as the main communication forum as the project is progressed. This group allows the design team and staff from Children and Families to work with the school and parent representatives to progress the delivery of the project including identification of the suitable location for any new accommodation and its design.

- 9.3 The Council will work with the existing Fox Covert Nursery to co-create the vision for the service which would operate from the combined centre and establish how this would be delivered including the implications of this approach for the existing nursery staff.

Background reading/external references

- Report to Education, Children and Families Committee on [10 December 2013](#)
- Report to Council on [1 May 2014](#)

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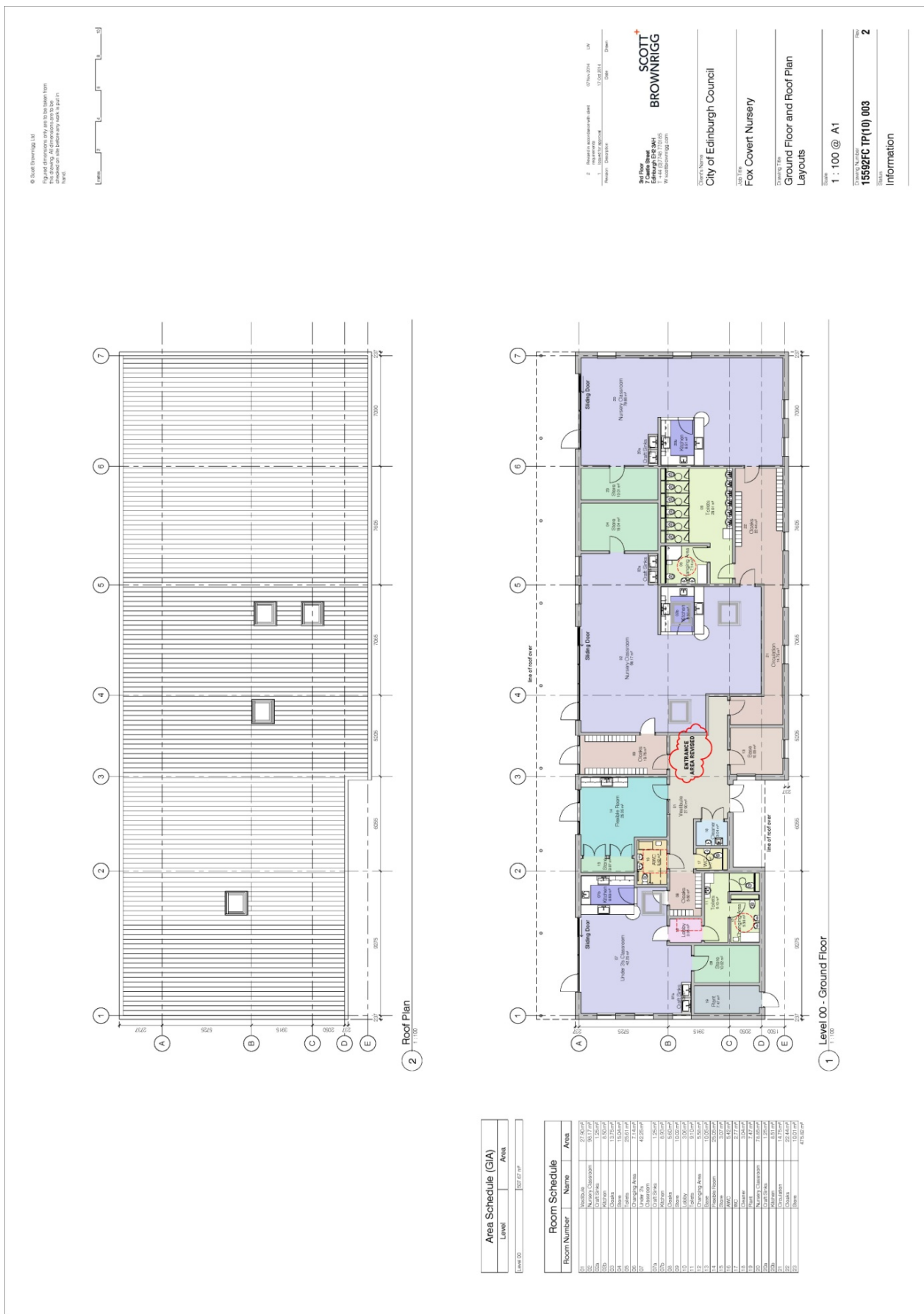
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Links

Coalition pledges	P1 - Increase support for vulnerable children, including help for families so that fewer go into care P6 - Establish city-wide co-operatives for affordable childcare for working parents
Council outcomes	CO1 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO2 - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities
Single Outcome Agreement	SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	1 Floor Plan for New Nursery

APPENDIX 1

Floor Plan for New Nursery



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Scale: 1:100 @ A1

2. Revised to accommodate client
 1. Initial design
 07/Nov/2014 1/8
 11/20/2014 2/8
 Date

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Client Name
 City of Edinburgh Council

Job Title
 Fox Covert Nursery

Drawing Title
 Ground Floor and Roof Plan
 Layouts

Scale
 1 : 100 @ A1

Drawing Number
15592FC TP(10) 003
 Revision
2
 Information

Area Schedule (GIA)	
Level	Area
Level 00	1527.62 m ²

Room Number	Name	Area
01	Nursery Classroom	267.77 m ²
02	Nursery	125.00 m ²
03	Day Room	132.76 m ²
04	Day Room	112.00 m ²
05	Day Room	112.00 m ²
06	Day Room	112.00 m ²
07	Day Room	112.00 m ²
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