

Finance and Resources Committee

10.00 am, Tuesday, 12 June 2018

Rising School Rolls – Phase 6

Item number	7.4
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	

Executive Summary

On 27 March 2018, the Finance and Resources Committee considered a report on Property Condition Project – Delivery Programme and approved that all future capital investment reports before any Committee of the Council, that had revenue implications and dependencies, be referred to the Finance and Resources Committee for approval.

The report specifically referred to the proposed new Queensferry High School and Rising Schools Rolls Phase 6.

The financial business case for Queensferry High School was approved by Committee on 27 March 2018 and the purpose of this report is to address the implications of Rising School Rolls - Phase 6.

Rising School Rolls Phase 6

1. Recommendations

- 1.1 That Committee:
 - 1.1.1 Notes the contents of this report.

2. Background

- 2.1 On 15 August 2017, the Education, Children and Families Committee considered a report on School and Lifelong Learning Estate Strategic Review. Part of the report set out the requirements for the Rising School Rolls (RSR) project for August 2018 and August 2019. The capital cost of the project is funded from a combination of the existing rising school rolls capital budget and agreed developer contributions.
- 2.2 On 27 March 2018, the Finance and Resources Committee considered a report on Property Condition Project – Delivery Programme and approved that all future capital investment reports before any Committee of the Council, that had revenue implications and dependencies, are referred to the Finance and Resources Committee for approval. The report specifically referred to the proposed new Queensferry High School and RSR Phase 6.
- 2.3 The financial business case for Queensferry High School was approved by the Finance and Resources Committee on 27 March 2018, and the purpose of this report is to address the implications of RSR Phase 6.

3. Main report

- 3.1 The delivery of RSR Phase 6 is a combination of new extensions and temporary units, expected to be delivered for the start of the new school term in August 2018.
- 3.2 Appendix 1 sets out the location; gross external area, notional additional capacity; construction cost, timescale; capital lifecycle cost; and revenue cost per annum of the new accommodation.
- 3.3 The operational revenue cost is a combination of non-domestic rates, utility costs and soft FM costs such as cleaning and janitorial services.
- 3.4 In addition to the RSR project, there are two other additional Communities and Families facilities due to be delivered by August 2018.

- The new Tynecastle nursery is due to be occupied in August 2018. The asset has been delivered as part of the Heart of Midlothian stadium redevelopment and will be leased to the Council at a peppercorn rent. However, the running costs of the old nursery were used to fund the revenue cost of a temporary TU, which will now be relocated to Sighthill PS. Consequently, the revenue cost of the new nursery is estimated at £36,327 pa. This excludes non-domestic rates as it is assumed that following the recommendations from the Barclay Review rates exemption for nurseries will be applied.
- The new gym hall and nursery adjacent to Leith PS is also due to be ready in August 2018 as part of the capital investment programme. The existing revenue budgets for the old facility have again been used to fund a temporary TU that will be moved to Craigmillar Child and Family Centre. The revenue cost for the new build at Leith PS is estimated at £79,700 pa. This is inclusive of non-domestic rates as it is unlikely the combined facility will qualify for rates relief.

4. Measures of success

- 4.1 Delivering the additional accommodation in time for the new school year in August 2018.
- 4.2 Ensuring that the Council meets its statutory obligation of providing education through the delivery of the infrastructure required.

5. Financial impact

- 5.1 The capital costs of the projects highlighted in this report are funded from approved capital funding for RSR; third party contributions and the capital investment programme.
- 5.2 It is assumed that the capital life cycle costs will be funded from future allocations to asset management works programme.
- 5.3 As with RSR phases 1 to 5, the revenue cost will be absorbed within existing property and facilities management budgets.
- 5.4 The revenue cost of the new Tynecastle Nursery will be absorbed within existing property budget and facilities management budget.
- 5.5 The revenue cost of the new Leith PS gym and nursery will be absorbed into existing budgets.

6. Risk, policy, compliance and governance impact

- 6.1 There is a risk that the accommodation will not be delivered by August 2018. This has been mitigated by planning ahead in terms of design, statutory consents and construction tender.
- 6.2 The currently approved Deloitte Asset Management Strategy in 2015, assumed that all new build accommodation would have a separate and recurrent revenue allocation provided for so that it did not create an unfunded pressure that would impact the delivery of future property related savings. This assumption is now flawed with a significant risk that the approved savings cannot be delivered on the basis of that business case. Consequently, a refresh and reprofiling of the Asset Management Strategy will be required during the course of this financial year. A separate report to the Committee will provide a broader update on the Asset Management Strategy to enable further consideration of these issues.

7. Equalities impact

- 7.1 There are no equality issues arising for this report.

8. Sustainability impact

- 8.1 There are no sustainability issues arising from this report.

9. Consultation and engagement

- 9.1 Not applicable.

10. Background reading/external references

- 10.1 None

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11. Appendices

11.1 Appendix 1 – Rising Schools Rolls

Appendix 1 – Rising School Rolls

Location	Net Additional GIA M2	Notional Additional Capacity	Scope of works	Capital Construction	Target Timescale	Operational Capital Costs £8.34 per m2 p.a	Operational Revenue Costs £85.66 per m2 p.a.
Davidson's Mains PS	761	240	8 classrooms - new standalone building	£2,160,420	Aug'18	£6,347	£65,187
Granton PS	185	60	2 classrooms – extension to existing RR building	£755,908	Aug'18	£1,543	£15,847
Stockbridge PS	151	60	2 classrooms - new standalone building	£803,722	Aug'18	£1,259	£12,935
Trinity PS	192	60	2 classrooms - new standalone building	£910,936	Aug'18	£1,601	£16,447
Currie PS	333	120	4 classrooms – new standalone building	£1,057,209	Aug'18	£2,777	£28,525

Clermiston PS	179	60	2 additional classrooms – new modular unit	£252,000	Aug'18	£1,493	£15,333
Cramond PS	149	60	2 additional classrooms – extension to existing school with modular units	£240,000	Aug'18	£1,243	£12,763
James Gillespies PS	208	60	2 additional classrooms – new modular unit (New 4 classroom unit with existing class TU demolished)	£377,640	Aug'18	£1,701	£17,817
Newcraighall	88	30	Newcraighall 1 additional classrooms - new standalone building (New 3 classroom unit with existing 2 class TU demolished)	£301,000	Aug'18	£734	£7,538

Victoria PS	179	60	Victoria 2 additional classrooms – new modular unit	£232,000	Aug'18	£1,493	£15,333
TOTAL	2,425	810		£7,090,835		£20,191	£207,725