

New Dalkeith Primary School

Report by Garry Sheret, Head of Property and Facilities Management

1 Purpose of Report

The purpose of this report is to obtain governance from Council to progress with the development of a new primary school to be located on the site of the former Dalkeith High School.

This report will outline to council the following aspects of this proposed development and seek governance to progress the project against these baseline parameters:-

1. The proposed Accommodation Schedule.
2. The Outline Budget.
3. The Anticipated Programme for the development.

2 Background

The learning estates strategy report which was presented to Council in September 2017 outlined that a new 2 stream primary school would be required by 2019 to address pupil capacity within the Dalkeith learning Community.

Following review of the possible sites for this new primary school it is proposed that the site of the former Dalkeith High School be used as a suitable location for this new primary school. An initial feasibility drawing has been developed to demonstrate that the site can accommodate a new primary school. A copy of this feasibility drawing is attached to this report as Appendix A.

As can be seen from Appendix A the primary school being located to the rear of the site will allow the school to be located well away from the main road.

3.0 Accommodation Schedule and Programme

3.1 Accommodation Schedules

Education colleagues have provided the required accommodation schedule for the new primary School at Dalkeith based on the projected pupil growth in the Dalkeith Learning Community.

A copy of this is attached to this report as Appendix B. The total accommodation area to be provided is 3,936m².

Early Years provision has also been provided within the accommodation schedule to support the provision of 1,140 hours in line with Midlothian's

Early Year's expansion financial template submitted to Scottish Government on 5 March 2018.

3.2 Programme

Project Delivery Programme

| Event | Date |
|-------------------------------------|------------------|
| Council Governance | March 2018 |
| Pre Application consultation notice | March 2018 |
| Public consultation events | April / May 2018 |
| Planning Submission | Summer 2018 |
| Planning Approval | Autumn 2018 |
| Building Warrant Submission | Autumn 2018 |
| Building Warrant Approval | Late 2018 |
| Contractor Procurement | Early 2019 |
| Contract Award | Spring 2019 |
| Works Start on site | Spring 2019 |
| Works complete | Late Spring 2020 |

Education Statutory Consultation

A catchment area for the new primary school in Dalkeith will be established from the areas in closest proximity to the school site. This will be done by rezoning areas currently in the catchments of King's Park and Woodburn Primary Schools so as to distribute pupils, including the additional pupils projected to arise from new housing, between the three schools in line with their capacities.

Statutory consultation will be undertaken in the autumn term of 2018/19 on the creation of the catchment area for the new school so that it is in place prior to commencement of pupil enrolment for August 2020.

Statutory School Consultation Programme

| Activity | Duration | Start | Finish |
|---------------------------------|----------|------------|------------|
| Consultation period (term time) | 6 weeks | 1 Sept '18 | 12 Oct '18 |
| HMIE review and report | 3 weeks | Oct '18 | Nov '18 |
| Publish Consultation Report | | Nov '18 | |
| Time for Further Consideration | 3 weeks | | Nov '18 |
| Council meeting & decision | | | Dec '18 |

Advertise enrolment in November 2019 for Primary 1 Intake in August 2020.

4 Project Expenditure & Funding

4.1 Construction Costs

Based on the accommodation schedule attached as Appendix B it is estimated that the construction cost of building the new school on the rear of the Dalkeith high school site will be £14.202 million. This budget cost includes for inflation up to 4th Quarter 2018. Included within this is an allowance of £1.252 million for the following site specific abnormalities:-

1. Ground Stabilisation.

2. Gas Membrane
3. Allowance for a new substation
4. Allowance for off-site road works out with the Dalkeith High school site boundary.
5. Allowance for creation of the new access road and associated footpaths within the site boundary to enable users of the new building to access the school.

These figures have been developed using recognised metrics for primary school provided by the Scottish Futures Trust.

The full Dalkeith High School site had previously been earmarked for Social Housing and transferred to the HRA account in 2016/17 accordingly. Part of the site will be required to transfer back to General Fund together at a book value of £0.188 million

In addition, £0.083 million has been allowed for active IT equipment.

This equates to a total capital budget requirement of £14.472 million as shown in Table 1 below:-

Table 1: Capital Expenditure Forecast

| Item | Cost £000's | Notes |
|-----------------------------|----------------|--------------------------|
| School Accommodation | 12,949 | 3,936m2 of accommodation |
| Site specific abnormalities | 1,252 | See above |
| Active IT equipment | 83 | |
| Land Transfer | 188 | |
| Total | 14,472 | |

4.2 Developer Contributions

Developer contributions of £2.977 million have been received to date for new non-denominational primary provision in Dalkeith. £0.196 million of developer contributions are now due from sites where planning obligation triggers have been hit. A further £1.964 million of Developer Contributions are anticipated to be received from sites where a Section 75 agreement has been signed. Should the full £1.964 million of developer contributions be received, this would provide a total of £5.137 million of Developer Contributions that would be able to be applied to part-fund the construction costs above.

A further £0.679 million of developer contributions, from sites that are allocated in the Local Plan but where a signed Section 75 agreement is yet to be reached, may be available to fund the construction costs outlined above. Should these sites be brought forward from developers, planning permission agreed and the expected number of units completed, this would provide a total of £5.816 million of developer contribution funding.

4.3 Early Years Provision / Funding

The provision for space for Early Years is based on Midlothian's Early Year's expansion financial template which states that 80 pre-school places

providing 1,140 hours per place will be provided in the new school to be built in Dalkeith. Space has been provided at 5.8 square metres per place, in line with national guidance, giving a total space allowance of 464 square metres. Of this, 249 square metres equating to a capital cost of £0.915 million can be funded from the Early Years Expansion programme through Scottish Government Early Years Capital Grant.

5 Report Implications

5.1 Resource

Capital

Based on the estimated capital expenditure outlined in Section 4.1, the Developer Contributions outlined in Section 4.2 and the Early Years funding outlined in Section 4.3, the net prudential borrowing requirement for the Council for this project would be £7.741 million, as shown in Table 2 below.

Table 2: Net Prudential Borrowing Requirement

| Item | £000's | Notes |
|---|--------------|-------------|
| Capital Expenditure | 14,472 | Section 4.1 |
| Developer Contributions | -5,816 | Section 4.2 |
| Early Years Capital Funding | -915 | Section 4.3 |
| Net Prudential Borrowing Requirement | 7,741 | |

Accordingly although the need for the increased capacity is as a result of new housing development there is a significant funding gap of £7.741 million between the cost of providing the school and the developer contributions collected and expected, which will fall to be funded by borrowing.

The expected phasing of this capital expenditure and income is shown in Table 3 below:-

Table 3: Phasing of Capital Expenditure and Income

| Financial Year | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £000's | Later Years £000's | Total £000's |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-----------------|
| Capital Expenditure | 2,318 | 7,760 | 4,329 | 65 | 0 | 14,472 |
| Developer Contributions | -2,171 | -1,295 | -844 | -1,003 | -503 | -5,816 |
| Early Years Capital Funding | -147 | -491 | -274 | -4 | 0 | -915 |
| Net Borrowing Requirement | 0 | 5,974 | 3,212 | -942 | -503 | 7,741 |

Revenue

The loan charges arising from the capital expenditure and income profiles as shown in Table 3 are shown in Table 4 below, along with the forecast premises costs for the new building.

This will have the following annual impact on the Council's revenue budget, in addition to the projected budget shortfalls previously reported to Council in the Financial Strategy report on 07 February 2018:-

Table 4: Loan Charges arising from Capital Investment

| Financial Year | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £000's | Later Yrs £000's |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| Premises Costs | 0 | 0 | 243 | 399 | 409 |
| Loan Charges | 0 | 93 | 243 | 417 | 351 |
| Net Additional Budget Impact | 0 | 93 | 486 | 816 | 760 |

As table 5 demonstrates the net borrowing of £7.741 million will not only add pressure to an already over committed General Service Capital plan but, in the absence of any further external funding support, will result in additional pressures on future years revenue budgets which in turn will require cuts elsewhere in the the budget to offset them.

5.2 Risk

It is necessary to highlight to Council the following key risks:-

Transportation alterations

Given the early stage in the design process the Council are not yet in a position to establish the transportation alterations associated with the site.

Construction Risk

The construction market is becoming buoyant and therefore there is always a risk that pricing may not be as keen as the Council have experienced in the past.

Failure of Council to meet Statutory Obligations

This school is required to comply with the Councils statutory obligations. Any delay to this project is likely to obstruct the Council from meeting these obligations.

Planning Risk

Planning is not yet in place and all location plans shown in this report are subject to detailed public consultation and planning.

Change in scope

Members should be aware that any alterations to scope would have a negative impact upon our ability to meet our statutory requirements within the necessary timeline.

5.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth

- Business transformation and Best Value
 None of the above

5.4 Key Priorities within the Single Midlothian Plan

This project supports the provision of suitable infrastructure for the efficient and effective delivery of services to meet the full range of community needs. The co-location of facilities will ensure closer working relationships and assist in the delivery of strategic initiatives including Ageing Well, GIRFEC, Midlothian Active Choices and Get Going programmes which involve key public sector partners.

5.5 Impact on Performance and Outcomes

This work is a part of the Single Midlothian Plan's key priority of Early Years, providing fit for purpose community schools to present every child with the opportunity to attend the school which serves their community and supports improvement in pupil attainment and achievement.

5.6 Adopting a Preventative Approach

The aim of this paper supports the priority to reduce the inequalities in learning outcomes by improving the quality of learning and teaching, leading to raised levels of achievement and attainment, by providing every child with the opportunity to attend school in their local community.

5.7 Involving Communities and Other Stakeholders

This proposed project involves working with both schools and stakeholders within the community. Community engagement will commence once this report has been approved and the project has outline governance to progress.

Education Catchment Review Statutory Consultation

A catchment area for the new primary school in Dalkeith will be established from the areas in closest proximity to the school site. This will be done by rezoning areas currently in the catchments of King's Park and Woodburn Primary Schools so as to distribute pupils, including the additional pupils projected to arise from new housing, between the three schools in line with their capacities. Timeline for this consultation is noted within section 3.2 of this report.

5.8 Ensuring Equalities

An initial EQIA has been prepared as part of the August 2017 report and will be expanded during the construction phases. This is similar to the approach undertaken with other projects.

5.9 Supporting Sustainable Development

The proposals take into account the need to deliver fit for purpose, sustainable (for both now and the future) services including through the design and use of appropriate and sustainable facilities and infrastructure.

5.10 Digital Services Issues

Included within the capital expenditure estimates in Sections 4 and 5 above is an allowance of £83,000 for active IT equipment for the new building.

6 Recommendations

It is recommended that Council:-

- Approve the use of part of the Dalkeith High School site for a new primary school to meet the needs of the learning estates strategy;
- Approve the Accommodation schedule contained within Appendix B of this report;
- Note the outline programme for the works;
- Approve a capital expenditure budget within the General Services Capital Plan for the project of £14.472 million;
- Note the utilisation of Early Years Grant funding of £0.915 million towards the project, fully funding the construction costs associated with the provision of 90 places for 1140 hours at the new Dalkeith primary school
- Note the estimated developer contributions of £5.816 million that can be applied to part fund the capital expenditure of the project;
- Approve the resultant borrowing requirement of £7.741 million and note the additional loan charges that will fall on future years revenue budgets as outlined in Section 5.1;
- Instruct the Director of Resources to commence the Planning / Design / Delivery consultation process and begin the design development for the project in line with the attached programme;
- Instruct the Director of Resources to engage the design team using the Midlothian Education design team framework to deliver this project;
- Instruct the Director of Resources to progress early procurement of any ground stabilisation / infrastructure works required to facilitate the works;
- Instruct the Director of Resources to provide an update report on the project at planning stage and return a further report providing an update following the tender process to obtain governance to let the final construction contract;
- Instruct the Director of Education to undertake a Statutory catchment area review and bring a further report back to Council.

09 March 2018

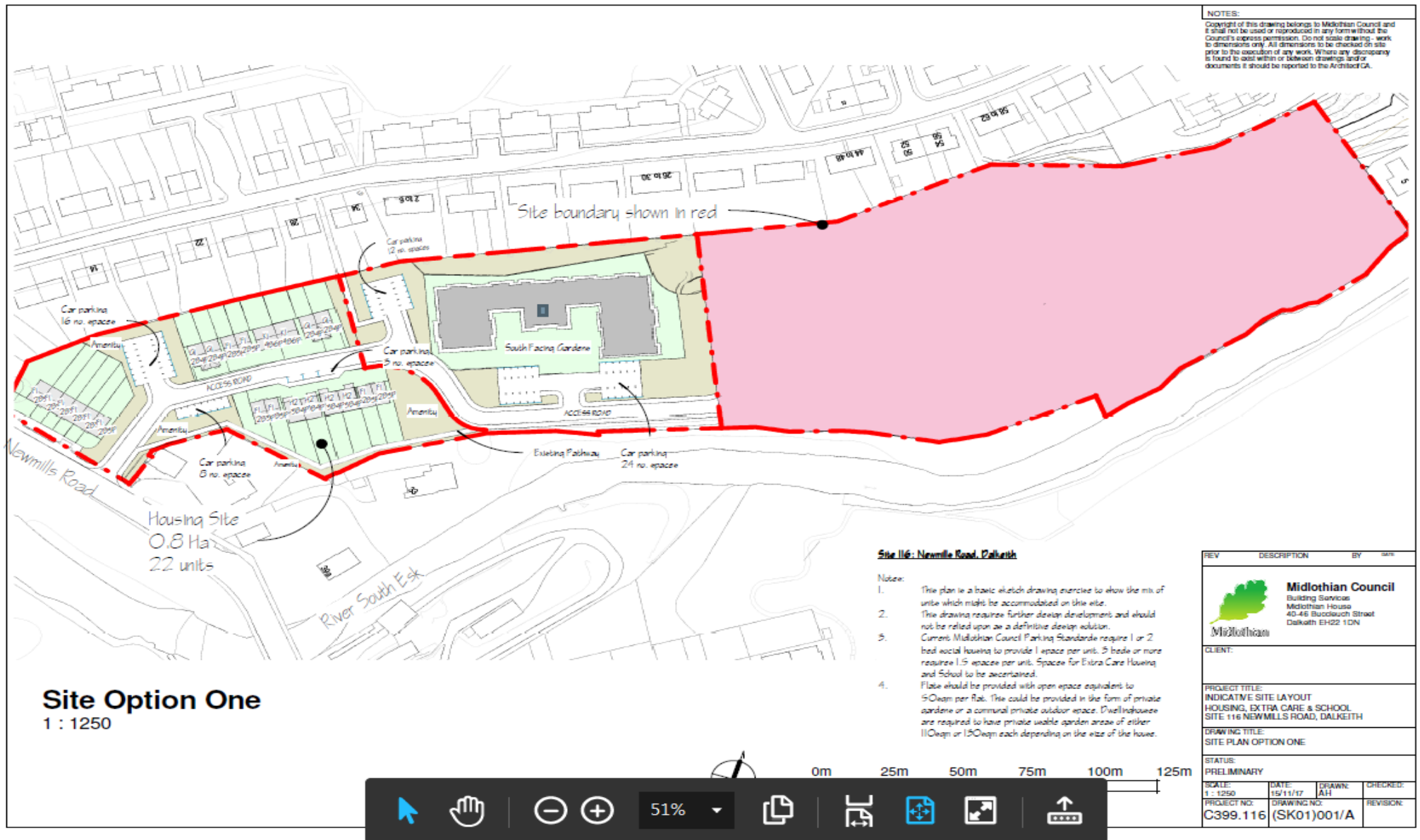
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Background Papers:

Appendix A: Site Plan

Appendix B: Accommodation Schedule



| Dalkeith Primary School | | | | | |
|--|---|-----------|------------|------------------|--|
| Two Stream School with both Enhanced and Complex Provisions, 15 primary classes | | | | | |
| Area Schedule | | | | | |
| Places | | No | sqm | Total sqm | Notes |
| Early Level | | | | | |
| 80 | Nursery A (40 places) inc Kitchen + toilet Area | 2 | 150 | 300 | 2.3m2/child plus kitchen/eating area, toilets, storage etc |
| 16 | Outdoor Play Area | 1 | | | |
| | Toilets for Outdoor Play Area | 2 | | | 2 additional toilets required for 16 places |
| | Nursery Support Base and Office | 1 | 20 | 20 | |
| | Entrance and Lobby (shared Early Years and P1) | 1 | 20 | 20 | |
| | Early Years Family Parent room | 2 | 21 | 42 | |
| | Adult Acc WC | 1 | 6 | 6 | |
| | Visitors WC | 1 | 3 | 3 | |
| | Plant | 1 | 12.5 | 13 | |
| 60 | Primary 1 Class Base | 3 | 65 | 195 | |
| | Atrium | 3 | 25 | 75 | |
| Level 1 | | | | | |
| 60 | Primary 2 Class Base | 2 | 65 | 130 | |
| 60 | Primary 3 Class Base | 2 | 65 | 130 | |
| 60 | Primary 4 Class Base | 2 | 65 | 130 | |
| | Atrium | 6 | 25 | 150 | |
| | Nurture/Tutorial / Learning Support | 1 | 20 | 20 | |
| Level 2 | | | | | |
| 60 | Primary 5 Class Base | 2 | 65 | 130 | |
| 60 | Primary 6 Class Base | 2 | 65 | 130 | |
| 60 | Primary 7 Class Base | 2 | 65 | 130 | |
| | Atrium | 6 | 25 | 150 | |
| | Nurture/Tutorial / Learning Support | 1 | 20 | 20 | |
| | Enhanced Provision | 1 | 130 | 130 | |
| | Complex Provision | 1 | 150 | 150 | |
| | Activity Hall & Changing Area (180+20) | 2 | 200 | 400 | rather than providing a 2nd activity hall, we could include an Expressive Arts Hall, arrange the dining area so that tables & seating can be cleared and stored so it can be used part time as an activity hall and to provide after school space - frees up about 150 sqm |
| | Activity Hall Store | 10% | 400 | 40 | |
| | Expressive Arts Hall | 0 | 80 | 0 | |
| | Learning Centre | 1 | 80 | 80 | |
| | Staff Room | 1 | 55 | 55 | |
| | Staff Resources/Work Base | 1 | 30 | 30 | |
| | Kitchen inc Stores, Changing (10 sqm) etc | 1 | 120 | 120 | |
| | Dining/Cafeteria Area (140 seats) | 1 | 130 | 130 | |
| | Headteachers Office | 1 | 15 | 15 | |
| | Deputy Headteacher | 2 | 12 | 24 | |
| | Meeting Room | 1 | 26 | 26 | |
| | After School Space | 1 | 60 | 60 | |
| | Medical Room | 1 | 8 | 8 | |
| | Central Store | 1 | 30 | 30 | |
| | School Office | 1 | 40 | 40 | |
| | IT Hub Room | 2 | 6 | 12 | |
| | Adult Toilets* | 1 | 40 | 40 | |
| | Girls Toilets* | 1 | 60 | 60 | |
| | Boys Toilets* | 1 | 60 | 60 | |
| | Hygiene Room* | 1 | 15 | 15 | |
| | Disabled Toilets* | 1 | 16 | 16 | |
| | Equipment Store | 1 | 12 | 12 | |
| | FM Office | 1 | 8 | 8 | |
| | Cleaners Cupb'ds | 2 | 4 | 8 | |
| | * may be several rooms to match floor area | | | | |
| | Plant | 1 | 60 | 60 | |
| 516 | | | | 3,423 | |
| | Circulation | 15% | 3,423 | 513 | |
| | | | | 3,936 | |