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ADDITIONAL CIRCULATION



To: Councillor Boulton, Convener; Councillor Lumsden, Vice Convener; and Councillors Jackie Dunbar, Graham, Laing, McLellan, Nicoll, Sellar and Yuill.

Town House,
ABERDEEN 11 September 2018

CAPITAL PROGRAMME COMMITTEE

The undernoted items are circulated in connection with the meeting of the **CAPITAL PROGRAMME COMMITTEE** to be held here in the Town House on **WEDNESDAY, 12 SEPTEMBER 2018 at 2.00 pm.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

BUSINESS

GENERAL BUSINESS

8.3 Education New Build Programme 2018 (Pages 3 - 14)

EXEMPT / CONFIDENTIAL BUSINESS

9.2 Education New Build Programme 2018 - Exempt Appendices (Pages 15 - 36)

Should you require any further information about this agenda, please contact Karen Finch, tel 01224 522723 or email kfinch@aberdeencity.gov.uk

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SUBMISSION OF LATE REPORT

NAME OF COMMITTEE : Capital Programme Committee

DATE OF COMMITTEE : 12 September 2018

TITLE OF REPORT : New Schools Development Programme - 2018

Please explain why this report is late.

The report has been delayed whilst going through internal officers review due to the complex nature of the proposals.

The Report could go to a future committee cycle although this would delay the delivery of the projects. The acquisition and development of one site is time critical.

Please explain:

- why this report must be submitted to the next meeting of the Council/Committee; and
 - why it cannot be submitted to a meeting of the Council/Committee at a later date.
-

Director: Steve Whyte

Date: 11 September 2018

The following section must be completed by the Convener where a report must be submitted less than three clear days¹ before a meeting of the Council/Committee.

By law, an item of business must be open to inspection by members of the public for at least three clear days before a meeting.

An item of business not open to inspection for three clear days may be considered at a meeting only by reason of special circumstances, which shall be specified in the minutes, and where the Convener is of the opinion that the item should be considered as a matter of urgency.

Please explain why you are of the opinion that the item should be considered as a matter of urgency.

To be considered as a late report in order to avoid any delay in the delivery of the projects.

Convener: Councillor Marie Boulton

Date: 11.09.2018

¹ For example if a letter is posted on Monday advising of a meeting on Friday, it gives 3 clear days notice (i.e. Tuesday, Wednesday, Thursday). Saturday, Sunday and public holidays are included within the definition of Clear Days.

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ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee Strategic Commissioning City Growth and Resources
DATE	Capital Programme Committee – 12 September 2018 Strategic Commissioning Committee – 13 September 2018 City Growth and Resources – 18 September 2018
REPORT TITLE	New Schools Development Programme - 2018
REPORT NUMBER	RES/18/174
DIRECTOR	Resources
CHIEF OFFICER	Corporate Landlord
REPORT AUTHOR	Stephen Booth
TERMS OF REFERENCE	Capital Programme Committee – Remit 1.1 Strategic Commissioning Committee – Purpose 1 and Remit 3.4 City Growth and Resources – Remit 1.2

1. PURPOSE OF REPORT

This report gives an update to various committees on the progress with the development of a new schools programme and seeks appropriate authority to progress a number of different projects.

- 1.1 Capital Programme Committee: to seek approval of the outline business cases (project proposals) for Countesswells and Milltimber, (Tillydrone (Riverbank replacement) and Torry (including Community Hub) primary schools were agreed in 2017) and agree that they are included within the Capital Programme and therefore agree that detailed design works should be progressed for each of the aforementioned schools with full Business cases being submitted to the Committee in 2019 for approval. To report on the instruction from the Capital Programme Committee of 23 May 2018
- 1.2 Strategic Commissioning Committee: to seek approval of the combined total estimated expenditure of £7,500,000 to undertake procurement exercises, as required, for the detailed design and development works for each of the proposed schools as required by ACC Procurement Regulation 4.1.

- 1.3 City Growth and Resources Committee: to seek approval for the submission of planning applications for each site, detailed discussion with landowners to transfer or purchase title as required and to allocate funding from Capital Funding/ Developers Contributions to undertake detailed design works to pre-tender stage as identified in the Report.

2. RECOMMENDATION(S)

That the Capital Programme Committee

- 2.1 Approves the Project proposals for Countesswells and Milltimber Primary schools;
- 2.2 Agrees that Countesswells primary school be added to the Capital Programme;
- 2.3 Agrees, subject to approval of recommendations 2.7 and 2.8 below, that the detailed design and development works be progressed at Countesswells, Milltimber, Tillydrone and Torry;
- 2.4 Instructs the Chief Officer Corporate Landlord to submit full Business Cases for each of the aforementioned proposals to the Capital Programme Committee during 2019 for approval.

That the Strategic Commissioning Committee:

- 2.5 Subject to approval of recommendations 2.1 to 2.4 and 2.7, dispense with the requirement for the Committee to approve Business Cases in accordance with ACC Procurement Regulation 4.1.1.2, approve the estimated expenditure of up to £7,500,000 and instruct the Chief Officer – Capital, following consultation with the Head of Commercial and Procurement Services, to procure resources including a mixture of internal and external resources for the development of the detailed designs for each of the four schools, including the site and utility investigations, as required in accordance with the Council's Procurement Regulations; and
- 2.6 Authorise the Chief Officer – Capital, following completion of recommendation 2.5 to prepare tender documentation for each of the four schools and issue each of them for tender to provide detailed costs information.

That the City Growth and Resources Committee:

- 2.7 Instructs the Chief Officer Corporate Landlord to submit fully costed Business Cases to the appropriate Committee(s) during 2019 for the proposed establishment of new schools at Countesswells, Milltimber, Tillydrone (Riverbank replacement) and Torry (including Community Hub) for approval of the allocation of the required funding;

- 2.8 Agrees to allocate a combined £7,500,000 from Capital Funding/ Developers Contributions to undertake detailed design and development works for the four projects;
- 2.9 Instructs the Chief Officer Corporate Landlord to submit planning applications as may be required to deliver the new Schools;
- 2.10 Instructs the Chief Officer Corporate Landlord to formally initiate the process and take title to the land at Countesswells identified for education uses; and
- 2.11 Instructs the Chief Officer Corporate Landlord to enter into detailed negotiations for the purchase of land for a new Milltimber School and to report back to the Committee on the outcome of these discussions on 7 February 2019.

3. BACKGROUND

- 3.1 Within the Council's Non-Housing Capital programme 3 new primary schools are currently listed – a new Replacement Milltimber School, a new Replacement Riverbank Primary School and a new Primary School and Community Hub in Torry. Indicative Budgets have been allocated against these projects. These will be developed as part of the detailed design process to give full cost certainty in the Business Cases.

New Milltimber Primary

- 3.2 A feasibility study is currently being undertaken for the New Replacement Milltimber School which is anticipated to conclude by the end of October 2018. A project proposal has been approved by both the Asset and Capital Programme Boards to replace the current Milltimber School with a new two stream school on a site identified within the Oldfold Farm development, the site having been allocated under a section 75 agreement. An opportunity also exists to include enhanced Early Learning and Childcare (ELC) provision within the project. The project also provides a possible opportunity (subject to statutory consultation) to rebalance and build in future capacity within the neighbouring Cults catchment which is currently over capacity.
- 3.3 There is a mechanism within the Section 75 agreement for the Council to acquire the site (at 11/15th of market value). This requires the Council to have planning permission in place by April 2019. This timescale encourages a detailed business case being progressed during 2018. Officers are seeking consent to move the project to detailed design and submit a planning application for the development. Discussions with the developer/ site owner will be progressed to inform the final Business Case.

New Replacement Riverbank Primary

- 3.4 The proposals within Tillydrone are to relocate the existing Riverbank School into a new three stream primary school. Initial feasibility work for the new school has been completed and now requires to be progressed to detailed

design to allow a fully costed Business Case to be brought forward to a future Committee. The proposed site is within current Council ownership.

New Torry Primary

- 3.5 A detailed feasibility study for the development of a new two stream school, community hub and ELC provision on the site of the former Torry Academy has been completed, the outcome of this study will inform design development and costings for the Business Case.
- 3.6 An application has been made to the Scottish Government for Community Grant Regeneration Funding (CGRF) to support the community Hub element of the project.
- 3.7 Officers are seeking to take the project to detailed design and costings to prepare a full business case.

Countesswells Primary School

- 3.8 In line with the decision of the Capital Programme Committee of 23 May 2018, to instruct the Director of Resources to liaise with the developer to formulate a timetable for the building of the first primary school at the Countesswells development and report back to the committee in due course, a number of meetings have been held between the Council and the Developer and high level programmes have been shared subjects to caveats around committee approval. Given the timings an initial options report has been progressed for the development of the first primary. Officers are seeking to take the project to Detailed Design to allow a fully costed Business Case including delivery timetable to be advanced in early course.
- 3.9 Within the Developer's Contribution Minute of Agreement there is a requirement for the first primary school to be met upon the completion of the first 500 units. This is subject to review clauses. The children from the development are currently being educated at Airyhall School and are due to move to the Hazlewood School later this School year.
- 3.10 The site is owned by the Kingswells consortium. Officers are looking for formal instruction to take title to the site at a nominal value.

4. FINANCIAL IMPLICATIONS

- 4.1 The current Non – Housing Capital plan has budgets lines identified as follows:-

- New Milltimber Primary	£ 13,000,000
- Tillydrone Primary School	£ 17,000,000
- Torry Primary School and Hub	£ 20,000,000

These budgets are inconsistent with each other and require to be reviewed based on detailed site and design information. At this time approval is sought

to spend up to £7,500,000 from the Non-Housing Capital Plan to progress detailed design works to allow fully costed Business Cases to be brought back to Committee. These costs will be met from a mixture of in-house and external delivery mechanisms.

- 4.2 The Milltimber site will require the acquisition of land for the development and consideration will also require to be given to the future of the existing site particularly around the management of the vacant buildings, onward sale and demolition costs. These costs will have implications for the capital budget. Developer contributions have also been allocated for a new school with an expectation of around £2.4 million in developer contributions for the project. This is however subject to review and will be clarified in a fully costed business case.
- 4.3 The Tillydrone proposal is not subject to any additional land acquisition costs as the land is held on the General Service Account of the Council. There are no developer contributions set against the development.
- 4.4 Torry Primary School will be located on the existing Torry Academy site. This is in the ownership of the council. Plans are being progressed for the demolition of the building which was agreed would be set against the capital costs of the new school. An application for funding from CGRF for the community hub of £2m has been made.
- 4.5 Within the Section 75 Agreement for the Countesswells Primary School (1) the land has been made available for the development. A contribution of £3,700.43 per unit is within the development agreement. This would result in around £1.85 million in contributions being made available by the time the 500 units are contracted and around £11.1 million from the full development. This is index linked.
- 4.6 As identified in the report the development of the budget for these schools requires detailed consideration but this should be considered based on fully costed business plans. At this stage it is expected that a budget provision of £100 million may be required for the four schools to include land acquisition and ELC provision. This to be amended when Full Business Cases are available.
- 4.7 To deliver the projects highlighted there is also a significant internal staffing resource issue which will be addressed through the development of the Corporate Landlord and Capital structures.

5. LEGAL IMPLICATIONS

- 5.1 In the development of Education projects there is a requirement for statutory consultation in accordance with the Schools (Consultation) (Scotland) Act 2010. Statutory consultation has already taken place in respect of Tillydrone and Torry. There are outstanding consultations to be carried out at Countesswells and Milltimber.

- 5.2 The Countesswells and Milltimber sites require the Council to enter into agreements to acquire land from third parties which will require Legal Services and Corporate Landlord resources and due diligence around the individual sites.
- 5.3 Where Developer Contribution Agreements exist there is a legal resource required around the interpretation and delivery of all parties' obligations under these.

6. MANAGEMENT OF RISK

The programme has a number of risks all of which will be addressed on a project by project basis. If the recommendations are not agreed in this report the following risks have been identified.

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Inability to provide accurate costings to inform an overall budget for each project	H	Carrying out feasibility studies and detailed design development will ensure that accurate costings can be included in the business case to inform approval of project budget
Legal	Failure to comply with section 75 agreements could have legal implications for ACC	M	If the recommendations are approved, land acquisition negotiations for the Milltimber new school and land title acquirement for Countesswells will commence immediately
Employee	There is a requirement to identify significant internal staffing resource to deliver the programme.	H	A resource plan is being developed for the delivery of the programme.
Customer	Failure to develop detailed business cases with investment options will delay achieving a new school's programme for the City and the additional provision	M	Forward planning via the business cases will identify level of investment and timescales required to deliver new school's programme for the City whilst ensuring that future education provision

	required for growth in the City's population		meets future demand.
Environment	Consideration will require to be given to sustainability principle in any new build.	L	Sustainable building policy will be considered in design.
Technology	None at this time		
Reputational	Failure to proceed with the development of business cases could be perceived as an unwillingness to support the new school's programme which could have an impact on the Council.	L	If the recommendations are approved, full business cases will identify future investment required for progression of the new school's programme.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	Investment in Infrastructure: The business case will identify the required investment in the school estate which will allow for long term benefits of the investment to be realised.
Prosperous People	Best Start in life / Safe and responsible / Respected, included, achieving: Future investment in the school estate will provide enhanced accommodation for our children.
Prosperous Place	New schools within new community provide a focal point for the communities and in some cases will enable other development. Co-location with ELC or other public partner provision may promotes other commercial development, particularly in new communities.
Enabling Technology	The development of the schools and detailed design works will consider the use of enabling technology and how this related to current a future education delivery.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	Schools provide services to customers and in their design/ development consideration will be given to the customer design principles.
Organisational Design	Not applicable
Governance	Not applicable
Workforce	Not applicable
Process Design	Efficient and effective design and construction of the new school's programme will ensure that both financial and educational responsibilities are fully met whilst providing opportunities about how we deliver public statutory services in the future.
Technology	The detailed design of the schools will consider technology advances in both building design but in wider connectivity and use of spaces.
Partnerships and Alliances	Co-design will be considered as part of the design process and in conversation with public sector partners.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An EHRIA will be provided at business plan stage
Data Protection Impact Assessment	Not Required
Duty of Due Regard / Fairer Scotland Duty	Not applicable.

9. BACKGROUND PAPERS

None

10. APPENDICES (if applicable)

Appendix A – Countesswells - Project Proposal (exempt appendix)
Appendix B – Milltimber Project Proposal (exempt appendix)

11. REPORT AUTHOR CONTACT DETAILS

Name	Stephen Booth
Title	Chief Officer – Corporate Landlord
E-mail address	stbooth@aberdeencity.gov.uk
Tel	01224 522675

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