

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Capital Programme Committee
<b>DATE</b>	18 November 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Replacement Milltimber Primary School– Progress Report
<b>REPORT NUMBER</b>	RES/20/205
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	John Wilson
<b>REPORT AUTHOR</b>	Neil Esslemont
<b>TERMS OF REFERENCE</b>	1.1

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Committee on the progress of the Milltimber Replacement School.

### 2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Note that this project forms part of the Education New Build Programme presented to the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018. The project will also contribute to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works.
- 2.2 Note the current on-going work leading to completion of the construction of the replacement Milltimber School in winter 2021/22.
- 2.3 Instruct the Chief Officer Capital to provide a further update on progress at the Capital Programme Committee in March 2021.

### 3. BACKGROUND

- 3.1 The development at Oldfold Farm is shown as OP48 in the Local Development Plan. CALA Homes were granted planning permission in principle for 550 homes in February 2015.
- 3.2 The detailed layouts for the first phase of 60 homes was approved in August 2015 and is now largely complete. The second phase of 166 homes was approved in November 2017 and work is progressing.
- 3.3 The 550 homes planned for Milltimber indicates that the development will generate around 248 pupils which will be incremental over the period of the build out rate.
- 3.4 A Section 75 agreement sets out the developer contributions for the delivery of education within the Oldfold development, all payments for contributions are quarterly in arrears based on the number of completions.
- 3.5 The existing Milltimber School currently has a capacity of 267pupils (including the onsite modular accommodation) and 40 part time nursery places and is operating almost at capacity. The current Milltimber school does not have the capacity to accommodate the additional children generated by the ongoing development, so demand for available places is likely to be exceeded by 2022.
- 3.6 The new school will provide:
  - A two-stream primary school with a capacity for 434 pupils
  - Early Learning & Childcare (ELC) provision for 60 pupils
  - 3G, 7 a-side-pitch
  - External outdoor play and learning spaces
- 3.7 Aberdeen City Council's Early Learning and Childcare Programme is to expand the current offer of 600 hours to 1,140 hours for vulnerable two year olds, three and four year olds. The policy intention is to ensure we deliver high quality Early Learning and Childcare services to improve outcomes for children and to remove barriers for working parents to support economic growth in Scotland. To compliment the Early Learning and Childcare expansion programme 60 early years places will be provided for the Milltimber community which can deliver a minimum of 1140 hours funded care per year, per child.
- 3.8 Decisions were made by the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 to progress with the design, development and procurement of a replacement school in Milltimber.

### **TIMESCALE**

- 3.9 Four tenders were returned on 27<sup>th</sup> March 2020, 4 days after the UK Government announced Covid-19 lockdown measures. The assessment of the quality submissions was completed on 14<sup>th</sup> April 2020 and the commercial assessment a week later. Due to the lockdown, consultants, contractors, sub-contractors and supplier's staff had placed staff on furlough meaning that the evaluation and clarification of the submitted tenders proved challenging. This

meant that the period to evaluate the tenders was longer than would normally be the case.

3.10 The tender documents could not anticipate the working practices that are now required as a consequence of Covid-19. The Scottish Government has agreed a 6 point construction re-start model with the construction industry in Scotland. The industry is currently in stage 5 of that re-start model. The implications of new health and safety measures that must be implemented on site, set out in this re-start model, are only now starting to become clear as contractors restart works on sites. These measures are having an impact on productivity. The time and financial implications of these new working practices needed to be determined, understood and the risks associated with “the new normal” - including the implications should there be a resurgence of the virus resulting in a new lockdown; needed to be appropriately allocated between the Council and the Contractor.

3.11 The Chartered Institute of Building published the following on 23<sup>rd</sup> June 2020;

*“The virus has triggered programme delays and spiralling costs that have aggravated the sector’s underlying performance problems, according to consultancy Suiko, part of Turner & Townsend.*

*Using data from 70 medium-sized UK construction projects, Suiko modelled that a £20m project with an 81-week programme before the pandemic would typically suffer productivity losses of 20%.*

*Now, a project of this scale is seeing this rise to 35% productivity losses with project completion delays of up to 32 weeks and increases of around £600,000 in preliminary costs alone.”*

3.12 Officers had to ensure that decisions taken now did not expose the Council to un-necessary risk and financial exposure in the coming months. Following consultation with colleagues in Procurement and Legal a process of discussion with the preferred contractor was undertaken.

3.13 This period of discussion was concluded and the letter awarding the contract to Robertsons Construction Tayside Ltd. was issued on 24<sup>th</sup> July 2020.

3.14 Works commenced on site on 24<sup>th</sup> August 2020 and are progressing on programme.

<b>Milestone</b>	<b>Indicative Timescale</b>
Contract Award	24 <sup>th</sup> July 2020
Contractor took possession of the site	24 <sup>th</sup> August 2020
Construction Complete	Winter 2021/22

School Operational	Spring 2022
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#### 4. FINANCIAL IMPLICATIONS

- 4.1 The Replacement Milltimber Primary School forms part of the General Fund Capital Programme approved by Council on 3<sup>rd</sup> March 2020.#

<b>Budget</b>	
General Fund Capital Programme 2018/19 – 2013/24	£25,000,000
Developer Contributions	£2,421,000
<b>Developers Contributions utilised by the project to date</b>	£551,790
<b>Spend to date</b>	
Total to end of Q2 2020/21	£4,646,190

The cost of the purchase of the required land has been factored into the overall capital development cost of the project.

#### 5. LEGAL IMPLICATIONS

- 5.1 Within the Section 75 agreement (see item 3.4 above), an area of land was identified for the provision of a new Milltimber school. Negotiations with the landowners and developers were concluded and the land transferred to the City Council to meet the overall project timescales.

#### 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	Late delivery will impact on the level of learning provision which can be provided.	L	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.

<b>Compliance</b>	Late delivery will impact on the level of learning provision which can be provided.	L	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.
<b>Operational</b>	Covid-19 pandemic restrictions impacting on work practices.	H	All teams are working towards delivering the projects as soon as possible taking cognisance of work restrictions regarding the Covid-19 pandemic.
<b>Financial</b>	Inability to deliver the Council's desired outcomes within the approved budget.	L	The estimated spend profile was constantly updated as the design of the project progressed and has been further updated following the issue of the letter of contract award. Take immediate action if the anticipated final cost exceeds the approved budget.
<b>Reputational</b>	The reputational risk of not being in a position to provide sufficient pupil places to support a growing school population.	M	This is being mitigated through early planning and close working between teams across Aberdeen City Council.
<b>Environment / Climate</b>	That the design of the proposed building increases the Council's carbon footprint and has an adverse effect on the environment.	L	Design proposals have been developed in accordance with Aberdeen City Council's Building Performance Policy ensuring that environmental risks remain low.
	That the activities of the contractor will have a negative impact on local residents	H	In response to the invitation to tender documents the contractor has provided detailed proposals showing how they intend to engage with local residents and the wider community. Constant liaison with the contractor to ensure that

			appropriate measures are in place and constantly monitored to ensure inconvenience and disruption is kept to an absolute minimum.
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## 7. OUTCOMES

<u><b>COUNCIL DELIVERY PLAN</b></u>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p>Programmes in the Policy Statement include working with our partners to ensure the city has the required infrastructure; completion of school estate review (P1) and development of estate strategy for next 5-10 years (P2); work with the Scottish Government to provide flexible and affordable childcare for working families on the lowest incomes; commit to closing the attainment gap in education while working with partners across the city;</p>	<p>The project outlined in this report is part of Aberdeen City Council's Education New Build Programme and supports the Early Learning and Childcare (ELC) Expansion Programme. The Education New Build Programme and expansion of ELC requires an investment in our Education Estate as well as an investment in staffing to ensure we are providing high quality provision that meets the needs of children and families in all localities. To this end, the proposals within the report support the delivery of childcare education learning targets.</p>
<b>Aberdeen City Local Outcome Improvement Plan</b>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The delivery of the new Milltimber School will help to grow Aberdeen as a city of learning that will empower local residents to put lifelong learning at the heart of the community.</p> <p>The Early Learning and Childcare Programme, which this project is part of, requires an investment in our Early Years Estate as well as an investment in staffing to ensure we are providing high quality provision that meets the needs of children and families in all localities.</p> <p>This project supports the delivery of LOIP Stretch Outcome 1 – 10% increase in employment across priority and volume growth sectors by 2026. The investment in our estate is interlinked with the investment in our workforce. To staff the expanding estate the Early Years team will contribute to the</p>

	<p>diversification of the local economy by offering flexible pathways into the Early Years Sector and increasing the number of people employed in this growth sector.</p>
<p>Prosperous People Stretch Outcomes</p>	<p>This project supports the LOIP Stretch Outcome 3 – 95% of children (0-5 years) will reach their expected developmental milestones by the time of their child health reviews by 2026. The project will be designed to support outdoor learning and the free flow of direct access to the outside environment. Outdoor learning, exercise and play benefits school children by encouraging them to be physically active. This will help address many of the health challenges outlined in the LOIP. Children will have daily access to outdoor play and will regularly experience outdoor play in a natural environment. Outdoor learning will significantly contribute to a child’s development and wellbeing.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The new replacement Milltimber School contributes to this objective.</p> <p>This project supports the delivery of LOIP Stretch Outcome 13 – No one in Aberdeen will go without food due to poverty by 2026. Increasing the accessibility of nursery provision will contribute to transforming the lives of families. Every child attending a funded early learning and childcare session will receive a healthy meal. The accessibility of provision will lead to an increase in the uptake of the Early Learning and Childcare funded offer and help ensure that no child in Early Learning and Childcare will go hungry.</p>
<p><b>Regional and City Strategies</b> Strategic Development Plan; Local Development Plan</p>	<p>The proposals in this report will impact on the consideration of future regional and city strategies with respect to education and learning.</p>
<p><b>UK and Scottish Legislative and Policy Programmes</b> Legislation which places a range of statutory duties on the Council, the Children and Young People (Scotland) Act 2014.</p>	<p>The statutory duty for local authorities to provide 1140 hours by August 2020 has been revoked by the Scottish Parliament, however at this time no new date has been provided for the statutory duty to provide 1140 hours.</p>

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required

## 9. BACKGROUND PAPERS

Item 8 Education New Build Programme 2018; Capital Programme Committee; 12<sup>th</sup> September 2018

Item 14 New Schools Development Programme 2018; Strategic Commissioning Committee; 13<sup>th</sup> September 2018

Item 21 New Schools Development Programme 2018; City Growth and Resources Committee; 18<sup>th</sup> September 2018

Item 3 General Fund Revenue Budget 2019/20 to 2023/24; and General Fund Capital Programme 2019/20 to 2023/24; Council Meeting; 5<sup>th</sup> March 2019

Item 9 Milltimber Primary School – RES/19/361; Capital Programme Committee; 12<sup>th</sup> September 2019

Item 7 Statutory Consultation Reports: Proposed New School at Countesswells and Proposed Relocation of Milltimber School and St Peter's RC School – RES/19/339; 17<sup>th</sup> September 2012

## 10. APPENDICES

None

## 11. REPORT AUTHOR CONTACT DETAILS

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