

EAST AYRSHIRE COUNCIL

CABINET – 23 MARCH 2011

PATNA / ST. XAVIER'S PRIMARY SCHOOL

Report by Executive Director of Finance & Corporate Support and Executive Director of Educational and Social Services

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update Cabinet on the proposal to construct a new Primary School at Patna, which will replace, on a single site, the existing but separate Patna and St. Xavier's Primary Schools, together with an integrated and refurbished community centre and library and to seek approval for the re-allocation of funds to facilitate award of the construction contract, and the continued progress of the project.

2. BACKGROUND

- 2.1 This is a landmark project with an ambition of bringing two schools together into one shared campus, fostering and developing relationships between children and the wider community, whilst retaining a strong sense of educational identity. The Project includes refurbishment and incorporation of the adjacent Community Centre and Library.
- 2.2 The 'Better Schools: Better Learning' report, of which this school formed a key component, was approved by Cabinet on 21 May 2008.
- 2.3 Following Cabinet approval on 21 May 2008, various Schemes were developed, culminating in Cabinet approval of the Option Appraisal Analysis on 6 May 2009. In total 9 options were considered with Option 7 being recommended and approved. The options considered including their respective total scores are as follows :

Ref	Option	Total Scores
1	Do Nothing	67.68
2	Refurbish Wing with St. Xaviers Pupils in-situ	73.21
3	Refurbish Wing then move St. Xaviers Pupils	73.03
4	Decant Pupils plus Refurbishment	80.56
5	Temporary School plus Refurbishment	83.31
6	Temporary School plus New Build School	93.41
7	New Build School on existing Playground	95.13
8	New Build School on existing Football Pitch	92.53
9	New Build School beyond School Grounds	80.65

- 2.4 Following Cabinet approval on 6 May 2009 a Consultation Proposal document was issued to commence the process of Public Consultation on the 8 July 2009. Cabinet approval on 8 July 2009 triggered detailed consultation with end-users and then development of a Design Brief document setting-out the Project's specific requirements.
- 2.5 The finalised Design Brief document was issued to framework contract architects on 9 August 2010 and is the principle reference document used to develop the School Design and Specification, and will in time act as the Acceptance Criteria for end-users to assess whether the School meets the prescribed requirements.
- 2.6 The current timetable indicates an Award of Contract 23 March 2011, with construction work commencing 18 April 2011. The construction period is scheduled for approximately 14 months, with the new School scheduled for completion mid-June 2012, thereby allowing operation in time for the new School Term commencing August 2012.

3. ORIGINAL CAPITAL ALLOCATION

- 3.1 Cabinet on 11 February 2009 approved a budget allocation of £9.000m for the project, including all project-related costs such as professional fees, utilities, essential furniture and equipment etc. The original budget allocation was derived from an analysis of the building footprint and final construction cost of Galston Primary School, nominally decreased to reflect a predicted more-competitive marketplace prevailing at the time of intended tender, and based on a similar building footprint of approximately 2,700m² with a comparable schedule of accommodation, facilities & specification.
- 3.2 The capital allocation was also set prior to development of the Design Brief, and hence before the building area, accommodation, facilities and specification was determined and agreed with the Executive Director of Educational and Social Services and the Head of Leisure Services.

4. OVERALL PROJECT COSTS, VALUE ENGINEERING & TENDERING

- 4.1 Pre-tender estimates based on early scheme designs identified that the anticipated cost of the project was approximately £10.500m; primarily attributed to the increased building footprint of approximately 3,300m² required to accommodate the schedule of accommodation prescribed within the design brief, and to ensure compliance with recently introduced Building Energy Legislation. A secondary contributor was the decision to include the incorporation of the adjacent Community Centre and Library Facilities and the refurbishment of those. The potential for additional funding requirement has been reported consistently since April 2010.
- 4.2 Since April 2010, the design of the new school has been continually reviewed and value-engineered to reduce costs wherever possible in an attempt to meet the capital allocation of £9.000m.
- 4.3 This has included the incorporation of simplified construction details, the reduced specification of interior finishes, the removal of a sprinkler system attenuation tank,

rationalisation of mechanical and electrical services, and the deletion of an all-weather external sports pitch.

- 4.4** Tenders for the project were returned on 14 February 2011, with the lowest construction cost of £8.177m which considered together with all other related expenditure would give a total project cost of £10.000m. The tender price received in respect of the construction work is extremely competitive and equates to approximately £1,946 per m² of gross internal floor area for new build which is significantly lower than the Scottish Futures Trust believed could be achieved. The current tender price as received is valid for a period of 90 days i.e. until 13 May 2011.

5. VALUE ENGINEERING OPPORTUNITIES

- 5.1** The project has been value engineered throughout the design development process and it is unlikely that further reduction in specification could realise significant savings and still meet the minimum standards prescribed in the Design Brief. In respect of construction, building components, mechanical and electrical services installations and interior and exterior finishes, the design of the new School and community facilities provides an extremely economic solution to the requirements of the Design Brief.
- 5.2** Additional options to reduce costs to £9.000m have been explored in principle; however these would have a significant impact on the scope of intended service delivery. The only real way to reduce costs by £1.000m would be to reduce the size of the school by over 10% which would not provide enough space for the required Educational provision.
- 5.3** Following the receipt of tenders, a review of potential options to reduce costs to a certain extent may be possible. This would involve a detailed review of the specification of certain areas to ensure that no unnecessary facilities or costs were included. The review would be carried out by the Project Board with the opportunity afforded to spokespersons for Lifelong Learning and the Leader and Depute Leader in their roles as spokespersons for Resources to be involved.

6. REVENUE COSTS

- 6.1** Whilst it is difficult to meaningfully assess potential efficiencies in revenue costs between the existing and the new combined facilities it is reasonable to assume that savings will potentially be realised in areas such as repairs and maintenance, utilities, janitorial and cleaning and energy usage.

7. FINANCIAL IMPLICATIONS

- 7.1** Tenders have recently been received in respect of the Gargieston Primary School project, with prices being more competitive than previously anticipated. The tenders are currently being assessed and clarified however it is clear that costs will be at least £2m less than budgeted based on the original agreed specification. The remaining major Education projects relating to Willowbank School and Darvel

Primary / Nursery School Extension have recently been awarded, and it is currently anticipated that these can be delivered within the existing approved budget allocations of £10.000m and £5.000m respectively. The tenders for New Cumnock Primary School are due to be issued mid-March 2011 with pre-tender estimates indicating that the project can still be delivered for the approved budget allocation of £9.600m.

- 7.2** In order to allow the contract for the construction works to be awarded it is therefore proposed that the shortfall in funding, currently estimated at £1.000m, be met from the saving anticipated in other Education capital projects.
- 7.3** Once the final contract value for Gargieston Primary School has been determined and the grant funding from the Scottish Futures Trust agreed, the remaining funding together with any further surplus funds identified within the existing approved programme will be transferred to the unallocated balance on the overall 10-Year Capital Programme in the normal way.
- 7.4** It should also be noted that costs of approximately £0.807m have been incurred for the Patna/St Xaviers project in relation to previously committed expenditure comprising professional fees, statutory fees and site investigation costs.

8. COMMUNITY PLANNING IMPLICATIONS

- 8.1** The development supports the delivery of key targets and actions within the community planning themes of Promoting Community Learning and Improving Opportunities.

9. POLICY/LEGAL IMPLICATIONS

- 9.1** The development of the new facilities is subject to the appropriate statutory planning requirements, and the design of the building will meet all the necessary legislative standards.

10. RISK IMPLICATIONS

- 10.1** The new campus represents a major, high profile commitment by the Council as part of the Better School:Better Learning proposals.
- 10.2** The project has been amended, where appropriate to ensure that it continues to represent value for money to the East Ayrshire Council whilst meeting the requirements of all internal and external stakeholders.

11. RECOMMENDATIONS

11.1 It is recommended that Cabinet;

- (i) approves the re-allocation of £1.000m from savings in other Education capital projects to fund the shortfall in budget for the Patna / St Xavier's project.
- (ii) agrees that opportunities for further savings be identified by the Project Board with final decisions being remitted to the Executive Director of Finance and Corporate Support in consultation with the Executive Director of Educational and Social Services and spokespersons for Lifelong Learning, and the Leader and Depute Leader in their roles as spokespersons for Resources; and
- (iii) otherwise notes the contents of the report

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AK/AMcP
21 March 2011

LIST OF BACKGROUND PAPER

NIL

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