

**ITEM No ...2.....**

**REPORT TO:** POLICY & RESOURCES COMMITTEE – 27 MARCH 2023  
**REPORT ON:** EAST END COMMUNITY CAMPUS – FUNDING AND TENDER AWARD  
**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES & EXECUTIVE DIRECTOR OF CITY DEVELOPMENT  
**REPORT NO:** 106-2023

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to advise the Committee as to the financial position achieved at Financial Close for the construction of the new East End Community Campus, based on the tender received, level of Scottish Government grant funding and final business case amendments.

**2 RECOMMENDATION**

- 2.1 It is recommended that Committee:
- a notes the contents of the report and the level of grant award from the Scottish Government;
  - b agreed the overall funding package for the project as outlined in paragraph 3.3;
  - c approves the acceptance of the tender submitted as set out in the report, with the total amount, including allowances detailed in Appendix 1; and
  - d notes a further report will come back to committee setting out recommendations based on the review of properties listed in section 8.5. This will be carried out in consultation with Neighbourhood Services and L&CD.

**3 FINANCIAL IMPLICATIONS**

- 3.1 The 2023-28 Capital Plan, agreed by the Council in November 2022, included £86.8m for constructing the new community campus. Significant and ongoing construction inflation and supply chain restrictions across the country as a whole as outlined in paragraph 7.2 mean that the tender is significantly higher than anticipated, with a total value of £100.8m. These additional costs will be partly funded from an expected increase in the grant provided from Scottish Government through their Learning Estate Investment Programme - Phase 2. Officers have been working closely with the Scottish Futures Trust to agree the Scottish Government contribution, however, Members should note that the funding offer has not yet been confirmed and that a verbal update will be provided to the Committee at its meeting.
- 3.2 The new campus will have lower revenue costs than the two existing schools, and the revenue savings generated through the closure of the schools has been factored into the overall business case to fund the new campus. Officers have reviewed the assumptions surrounding this and have identified further savings that will enable additional prudential borrowing to be made.
- 3.3 The balance of funding will be contained within the capital programme through use of the capital contingency provision. A summary of the financial implications is provided below:

	<b>Capital Plan 2023-28</b>	<b>Revised Projection (as at March 2023)</b>
	<b>£m</b>	<b>£m</b>
Overall Cost of Project	86.814	100.800
Funded By:		
Scottish Government Grant (LEIP Phase 2)	31.907	42.100
Corporate Borrowing	38.407	38.407
Prudential Borrowing	16.500	18.700
Capital Contingency Provision	-	1.593
<b>Total</b>	<b>86.814</b>	<b>100.800</b>

#### 4 MAIN TEXT

- 4.1 Reference is made to Article III of the minute of the meeting of the Children and Families Committee held on 25 January 2020 when the Committee considered Report No 44-2021 and approved that Braeview Academy and Craigie High School be closed and a new combined community campus is established with enhanced community facilities, accessible to the broader community located on Drumgeith Road.
- 4.2 In accordance with recommendation vi) of the minute of the meeting of the Children and Families Committee held on 25 January 2020 a Project Board was set up to implement a 4-year transition plan. The Board, chaired by the Executive Director of Children & Families includes councillors, representative staff, pupils and parents from the existing Braeview Academy and Craigie High School, consulting on the building, vision, values and aims, improvement planning, pupil transition and the identity of the new Campus
- 4.3 A programme for the design and development of the project was established, setting out the key milestone dates for each stage of the project. The timescale has been maintained over the two-year period for design development and consultation with planning consent granted 16 May 2002. Subject to the tender award being approved, a site start of April 2023 would maintain the target programme objectives and the projected dates for construction completion and opening of the new campus in August 2025.
- 4.4 The EEC is designed to meet the Passivhaus certification standard, creating a building which is compact, highly insulated, airtight and well-ventilated providing a low energy building. This standard and design approach is particularly useful for school and community use, being comfortable and inspiring for all to use. In addition, this provides the Council far greater certainty on the performance of the building design, with independent oversight through the certification process in relation to energy use. Part of the SFT funding conditions is in relation to energy consumption and this ensures the Council has a sustainable low carbon and energy efficient compliant building meeting the criteria.

#### 5 PROCUREMENT DELIVERY AND COMMUNITY WEALTH

- 5.1 Utilising the Places for People Procurement Hub framework, Robertson Construction Tayside have been working with the appointed design team and City Development technical staff to develop detailed designs for the proposed campus. Through the design period the technical team have collaborated with Children & Families and other Council services and stakeholders, inputting to the design and specifications for all elements of the construction. Utilising expertise from all sectors of the industry has ensured a systematic approach has

been taken producing the design, market testing and obtaining a tender price while maintaining the programme timeline.

- 5.2 The Place for People framework was competitively tendered when established enabling a direct award to a main contractor, fixing core staff, site set-up costs and the overhead and profit elements of every project. Each construction project delivered through the framework is fully market-tested.
- 5.3 All elements of project costs are sub-contracted work packages that are tendered at the point of delivery, opening the market to local suppliers. The process is open book, to develop a managed supply chain and allow full transparency for the Council. This process ensures that competitive tensions are maintained, through effective price benchmarking and cost targeting to discharge the council's statutory duty to achieve best value.
- 5.4 The frameworks are designed to benefit the local community. By ensuring projects are delivered by a local supply chain, many benefits can be achieved, including money spent in the local economy.
- 5.5 As well as local investment, using local labour teams means a reduction in commuting distances travelled, lowering the project's overall carbon footprint.
- 5.6 The procurement process assesses a potential delivery partners' ability to support the local supply chain and to offer training opportunities and apprenticeships. By developing the workforce and encouraging new entrants the aim is to contribute to the provision of a fresh and sustainable pool of talent for the future benefit of the local economy. By enabling school children, college students and university undergraduates to engage with projects, this process helps to generate interest in the construction industry as a future vocation.

## 6 SUMMARY OF TENDERED PROJECT

- 6.1 A tender has been received by the Design and Property Division in relation to the project detailed below.

<b>Architects Projects - Reference and Description</b>	<b>Contractor</b>
East End Community Campus – New build school and community campus	Robertson Construction Tayside Ltd

## 7 CONSTRUCTION TENDER LEVELS AND TIMESCALES

- 7.1 The Head of Design and Property and the Council's technical staff have been working with the main contractor and design consultants to develop the final design and technical approaches to ensure that a comprehensive programme of works can be developed.
- 7.2 The response to COVID-19, Brexit and effects of the Russian invasion of Ukraine have led to a significant increase in construction inflation continuing, driving shortages in the supply of materials and labour combined with the rising cost of energy. These increases have continued throughout the development phase of this project leading to the major shift in overall capital costs.

Illustrated below are some examples of the construction industry inflationary pressures that occurred during the design development phase of this project:

Timber	99%
Insulation	72%
Plasterboard	52%
Steel	79%
Fuel	293%

- 7.3 Staff and labour resource have remained critical throughout the pre-contract design, tender and construction processes. These have proved to be particularly challenging over the last 12 months with little sign to date of easing, leading to greater demand and inflationary pressures on the overall costs.
- 7.4 Due to these worldwide events, securing raw materials, components and labour is causing significant uncertainty for the supply chain when pricing tenders. Combining work packages for a major project into a consolidated tender in this period of economic uncertainty necessitates carefully planning and monitoring of timescales to enable a robust tender package to be finalised.
- 7.5 Based on the level of tender for this major project, as part of the tender review, senior officers have reviewed the tender submission in detail with the contractor to understand the areas that have been affected by the economic conditions. The level of enquiries issued to the market and completed returns for sub-contract packages have also been scrutinised to ensure the most competitive work packages have been contained within the tender while maximising opportunities for local business to be involved with the build.
- 7.6 The officer review concluded that the tender submission meets the best value possible based on the current market conditions for the size, scale and duration of the construction programme.
- 7.7 Benchmark construction costs for the development have been examined and reviewed by Scottish Futures Trust prior to confirming the grant award to ensure the project is efficient, effectively managed and achieves the set criteria as part of the conditions for funding, including the financial metric formula applied to the funding.

## **8 COMMUNITY LEARNING CAMPUS SERVICES**

- 8.1 The new school and community learning campus has been developed with accessibility and inclusion as an integral, part of the design. It will house a music and drama centre suitable for city wide school and community use, with inclusion of a café and library that will be accessible during the day for combined community and school use.
- 8.2 The sport facilities include floodlit all weather pitches, a fitness suite and a dance studio in addition to the standard gym and games halls, which will also be available for use during the day to help create a fully integrated community facility.
- 8.3 The new site has been developed to allow for good links to active travel, taking advantage of the close proximity of the green circular that runs around the city. In addition, the site layout has identified a zone that can be developed as a community garden and will grow in partnership with the school to create a shared environment that can be enjoyed by both the school and the community at large.

- 8.4 The new community learning campus will have facilities to support partnership working with Dundee & Angus College to provide Senior Phase Education curricular experiences for young people with complex additional support needs. The construction of the new campus will allow the strong working relationships between Dundee city council, Dundee and Angus College and Michelin Scotland Innovation Parc, and develop opportunities in a range of academic, recreational and vocational learning pathways to suit the young people's requirements.
- 8.5 As part of the 365 Schools Community Hub approach, officers are working closely with Neighbourhood Services, Leisure & Culture Dundee and community groups to carry out a review of existing community and school facilities, to redesign and develop a joint integrated service model to deliver city priorities and to consider possible rationalisation of clusters of buildings in communities. This level of investment and engagement to plan for the community will enable the campus to support education and leisure, combining community sports and activities, advice services, digital inclusion, adult learning, and community development as well as health-related services to integrate care for children and families. It will also offer the opportunity to evaluate how existing services are provided in the area and how they will operate from the new community campus. These include services delivered from the Crescent Library, The Hub Library, Douglas Community Centre & Library and Douglas Sports Centre. No decisions have been taken as yet; and a further report will be brought back to committee for members to consider.

## 9 BACKGROUND PAPERS

- 9.1 None.

## 10 POLICY IMPLICATIONS

- 10.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of/mitigating factors for them is included at Appendix 2 of this report.

## 11 CONSULTATIONS

- 11.1 The Council Leadership Team were consulted in the preparation of this report.

### Authors

Neil Martin  
Head of Design and Property

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Head of Corporate Finance

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Executive Director of City Development

Robert Emmott  
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NM/KAS

10 March 2023

Dundee City Council  
Dundee House  
Dundee

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## APPENDIX 1

<b>PROJECT</b>	East End Community Campus – New Development	
<b>PROJECT NUMBER</b>	20-6011	
<b>PROJECT INFORMATION</b>	The development of a new community campus incorporating facilities for school curriculum delivery combined with community, leisure and culture services.	
<b>ESTIMATED START AND COMPLETION DATES</b>	April 2023 July 2025	
<b>TOTAL COST</b>	Contract Sum	£96,982,111.00
	Non Contract allowances	£2,432,000.00
	Fees	<u>£1,385,889.00</u>
	Total	<u>£100,800,000.00</u>
<b>FUNDING SOURCE</b>	Capital Plan 2023-28 – Reduce Child Poverty and Inequalities in Income, Education and Health (School Estate Investment – East End Community Campus)	
	2021/22	£955,000.00
	2022/23	£2,000,000.00
	2023/24	£38,580,000.00
	2024/25	£51,459,000.00
	2025/26	£6,811,000.00
	2026/27	£995,000.00
	Total	<u>£100,800,000.00</u>
<b>ADDITIONAL FUNDING</b>	None.	
<b>REVENUE IMPLICATIONS</b>	None.	
<b>POLICY IMPLICATIONS</b>	There are no major issues.	
<b>TENDERS</b>	Direct award through Places for People Procurement Hub Framework.	
	<b>Contractor</b>	<b>Tender</b>
	Robertson Construction Tayside Ltd	£96,982,000
<b>RECOMMENDATION</b>	To approve and appoint the works to Robertson Construction Tayside Ltd.	
<b>SUB-CONTRACTORS</b>	None.	
<b>BACKGROUND PAPERS</b>	None.	

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**APPENDIX 2**

## Integrated Impact Assessment

Committee Report Number: 106-2023

Document Title: East End Community Campus - Funding and Tender Award

Document Type: Service

Description:

The purpose of this report is to advise the Committee as to the financial position achieved at Financial Close for the construction of the new East End Community Campus, based on the tender received, level of Scottish Government grant funding and final business case amendments.

Intended Outcome:

Committee:

Notes the contents of the report and the level of grant award from the Scottish Government.

Approves the acceptance of the tender submitted as set out in the report, with the total amount, including allowances.

Notes a further report will come back to committee setting out recommendations based on the review of properties listed in section 8.5

Period Covered: 27/03/2023 to 31/03/2027

Monitoring:

City Development will lead on implementation and project management of the proposals, quarterly reporting will be submitted to Scottish Future Trust. Corporate Services will oversee any monetary aspects of the project.

Lead Author:

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Director Responsible:

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## **Equality, Diversity and Human Rights**

### **Impacts & Implications**

Age: No Impact

Disability: Positive

The modern learning environment of the new school is fully Disability Discrimination Act (DDA) compliant and is fully accessible for users with a disability.

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregnancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

## **Fairness & Poverty**

### **Geographic Impacts & Implications**

Strathmartine:	No Impact
Lochee:	No Impact
Coldside:	No Impact
Maryfield:	No Impact
North East:	Positive
East End:	Positive
The Ferry:	No Impact
West End:	No Impact

## Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Carers: No Impact

Lone Parent Families: No Impact

Household Group Impacts and Implications

Single Female Households with Children: No Impact

Greater number of children and/or young children: No Impact

Pensioners - single / couple: No Impact

Unskilled workers or unemployed: No Impact

Serious & enduring mental health problems: No Impact

Homeless: No Impact

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

## Socio Economic Disadvantage Impacts & Implications

Employment Status: Positive

The frameworks are designed to benefit the local community. By ensuring projects are delivered by a local supply chain, many benefits can be achieved, including money earned by the local supply chain is spent in the local economy.

As well as local investment, using local labour teams means a reduction in commuting distances travelled, lowering the project's overall carbon footprint.

Education & Skills: Positive

The procurement processes assess a potential delivery partners' ability to support the local supply chain and to offer training opportunities and apprenticeships. By developing the workforce and encouraging new entrants the aim is to contribute to the provision of a fresh and sustainable pool of talent for the future benefit of the local economy. By enabling school children, college students and university undergraduates to engage with our project, this process helps to generate interest in the construction industry as a future vocation. Linked to this is establishing a skills development pathway to help people progress into training and further education and into paid employment, and to tackle in-work poverty.

Both existing schools have access to Pupil Equity Funding. We are also taking part in the Scottish Attainment Challenge, which sees tackling poverty as one of the drivers for change. Dundee's programme aims to achieve long-term social and educational transformation through action at a strategic, operational and community level.

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: Positive

Through a community Hub model, Officers are working closely with Neighbourhood Services, Leisure & Culture Dundee and community groups to carry out a review of existing community and school facilities, to redesign and develop a joint integrated service model to deliver city priorities and to consider possible rationalisation of clusters of buildings in communities. This will enable the campus to support education and leisure, combining community sports and activities, advice services, digital inclusion, adult learning, and community development as well as health-related services to integrate care for children and families.

Fuel Poverty: No Impact

Cost of Living / Poverty Premium: No Impact

Connectivity / Internet Access: Positive

The community campus will have internet and Wi-Fi connectivity, with both internal and external public access.

Income / Benefit Advice / Income Maximisation: Positive

Through a community Hub model, Officers are working closely with Neighbourhood Services, Leisure & Culture Dundee and community groups to carry out a review of existing community and school facilities, to redesign and develop a joint integrated service model to deliver city priorities and to consider possible rationalisation of clusters of buildings in communities. This level of investment and engagement to plan for the community will enable the campus to support education and leisure, combining community sports and activities, advice services, digital inclusion, adult learning, and community development as well as health-related services to integrate care for children and families.

Employment Opportunities: Positive

The frameworks are designed to benefit the local community. By ensuring projects are delivered by a local supply chain, many benefits can be achieved, including money earned by the local supply chain is spent in the local economy.

Education: Positive

The new community learning campus will have facilities to support partnership working with Dundee & Angus College to provide Senior Phase Education curricular experiences for young people with complex additional support needs. The construction of the new campus will allow the strong working relationships between Dundee city council, Dundee and Angus College and Michelin Scotland Innovation Parc, develop opportunities in a range of academic, recreational and vocational learning pathways to suit the young people's requirements.

Health: No Impact

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: Positive

Throughout the community campus consultation, regular engagement has been undertaken with the community to seek their views on the scope and design for the building.

Transport: Positive

The new site has been developed to allow for good links to active travel, taking advantage of the close proximity of the green circular that runs around the city. Barriers including cost, distance to the nearest bus stop, frequency of services, and available bus routes have been considered. The location of the campus takes account of who will use it and how they will travel to it.

## **Environment**

### **Climate Change Impacts**

Mitigating Greenhouse Gases: Positive

The replacement of outdated and inefficient secondary school buildings will make a substantive contribution to the sustainability and energy efficiency of the wider school estate and make a significant contribution to reducing future CO2 emissions.

Adapting to the effects of climate change: Positive

The EECC is designed to meet the Passivhaus certification standard, creating a building which is compact, highly insulated, airtight and well-ventilated providing a low energy building. This standard and design approach is particularly useful for school and community use, being comfortable and inspiring for all to use. In addition, this provides the Council far greater certainty on the performance of the building design with independent oversight through the certification process in relation to energy use. Part of the SFT funding conditions is in relation to energy consumption and this ensures the Council have a sustainable low carbon and energy efficient compliant building meeting the criteria.

### **Resource Use Impacts**

Energy efficiency & consumption: Positive

The proposal will replace two existing inefficient building with one designed to meet the Passivhaus certification standard, creating a building which is compact, highly insulated, airtight and well-ventilated providing a low energy building. In addition, this provides the Council far greater certainty on the performance of the building design with independent oversight through the certification process in relation to energy use. Part of the SFT funding conditions is in relation to energy consumption and this ensures the Council have a sustainable low carbon and energy efficient compliant building meeting the criteria.

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: Positive

Utilising the Places for People Procurement Hub framework, Robertson Construction Tayside have been working with the appointed design team and in conjunction with City Development technical staff develop detailed designs for the proposed campus. Utilising expertise from all sectors of the industry has ensured a systematic approach has been taken producing the design, market testing and obtaining a tender price while maintaining the programme timeline.

## Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: Positive

The vast majority of pupils will live inside three miles safe walking distance of the proposed site. Therefore careful consideration has been taken in regard to walking routes and travel plans to promote environmentally friendly attitudes and approaches to the school journey.

## Natural Environment Impacts

Air, land & water quality: Positive

The replacement of outdated and inefficient secondary school buildings will make a substantive contribution to the sustainability and energy efficiency of the wider school estate and make a significant contribution to reducing future CO2 emissions.

Biodiversity: No Impact

Open & green spaces: Positive

The new site has been developed to allow for good links to active travel, taking advantage of the close proximity of the green circular that runs around the city. In addition, the site layout has identified a zone that can be developed as a community garden and will grow in partnership with the school to create a shared environment that can be enjoyed by both the school and the community.

## Built Environment Impacts

Built Heritage: No Impact

Housing: No Impact

Is the proposal subject to a Strategic Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the Environment Assessment (Scotland) Act 2005.

## Corporate Risk

### Corporate Risk Impacts

Political Reputational Risk: No Impact

Economic/Financial Sustainability / Security & Equipment: No Impact

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

The risk implications associated with the subject matter of this report are "business as normal" risks and any increase to the level of risk to the Council is minimal. This is due either to the risk being inherently low or as a result of the risk being transferred in full or in part to another party on a fair and equitable basis. The subject matter is routine and has happened many times before without significant impact.