

REPORT TO: EDUCATION COMMITTEE 20 MAY 2013
POLICY AND RESOURCES COMMITTEE 20 MAY 2013

REPORT ON: REPLACEMENT OF HARRIS ACADEMY

REPORT BY: CHIEF EXECUTIVE AND DIRECTOR OF EDUCATION

REPORT NO: 184-2013

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to outline for the Committee the process leading to Financial Close and to seek the Committees' approval to enter into an enabling package of advance works with Hubco.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- (i) note the contents of the report; and
- (ii) approve the setting up of an enabling package of advance works with Hubco as described in paragraphs 4.13 and 4.14 below.

3.0 FINANCIAL IMPLICATIONS

3.1 The net capital cost of replacing Harris Academy will not be known until the finalised cost plan is approved by Hubco and the level of grant funding based on that plan agreed with Scottish Futures Trust. At the time of drafting this report, indications are that the cost to the Council should not exceed the net figure (£12.029m) included in the Capital Plan 2013 – 2017.

3.2 The Council's estimated net capital contribution of £12.029m will be funded from borrowing and the resultant annual loan charges of £583,000 (full year effect from 2017-2018) will be contained within future years' Revenue Budgets.

4.0 MAIN TEXT

Background

4.1 Reference is made to Article III of the meeting of the Education Committee of 27 September 2010 when the Committee considered Report No 565-2010 and agreed inter alia that designs for a new build Harris Academy on the existing site should be further developed.

- 4.2 Reference is also made to Article I of the meeting of the Education Committee of 28 November 2011 and to Article III of the Policy and Resources Committee of 28 November 2011 when the Committees considered Report No 488-2011 and agreed inter alia that Harris Academy should be included in the Territory Delivery Plan for the East Central Territory Hub.
- 4.3 The Committees also approved the appointment of Amber Blue (a consortium of Robertson Group [Holdings] Ltd, International Public Partnerships Ltd and Forth Holdings Ltd) as Private Sector Development Partner with the Public Sector Participants (mainly local authorities and health boards) and Scottish Futures Trust in Hubco (Hub East Central Scotland Ltd). Subsequently in March 2012 Robertson Construction was selected as the main contractor for the new Harris Academy following the approved Hub procurement procedures.

Scottish Futures Trust

- 4.4 The replacement of Harris Academy is included within Scotland's Schools for the Future programme, with the programme being managed by Scottish Futures Trust on behalf of the Scottish Government. The construction of the new school will attract capital grant funding of up to two thirds of the capital costs incurred, subject to the project meeting the programme goals set by the Scottish Government.
- 4.5 The stated objective of the Schools for the Future programme is to deliver quality, well designed and sustainable schools at a competitive price in line with the programme goals, viz
- Efficient and effective procurement;
 - Cost efficiency; and
 - Delivery of Schools Estate Strategy's nine principles:
 - Consultation
 - Informed by experience
 - Integrated, holistic and longer term approach
 - Condition supports and enhances function
 - Inclusive and future proofed
 - Improved environmental performance and reduced carbon footprint
 - Well managed schools estate
 - Effective learning and teaching through Curriculum for Excellence
 - Serve communities
- 4.6 Throughout the project development stage regular meetings have been held with Scottish Futures Trust to review how the specification and design for the school was progressing. The first formal review was concluded in November 2012 following the finalisation of the concept design and the production of an indicative cost plan by Hubco and the second formal review should take place in July 2013 following further design development and the preparation of the finalised cost plan.
- 4.7 Harris Academy is being procured under a Design and Build Development Agreement (DBDA) between the City Council and Hubco. The drafting of the DBDA was commissioned by Scottish Futures Trust and any material amendments proposed to the draft template require to be agreed with Scottish Futures Trust.

Scottish Government Funding

- 4.8 The finalised cost plan should be approved by Hubco in early July 2013 which will allow the level of grant funding to be reviewed by Scottish Futures Trust.
- 4.9 Following their first formal review in November 2012, Scottish Futures Trust indicated that they would recommend grant funding of up to £20.220m based on the capital expenditure (£30.769m) that met their funding criteria. However within the £30.769m is a list of abnormal costs totalling £1.325m related to the Harris site topography and to building and site enhancements of which only the amount actually spent will attract grant. In addition, the indicative grant funding of £20.220m was based on tender prices in Q1 2012 whereas the costs in the finalised cost plan which should determine the final funding levels will be based on current market tested prices.
- 4.10 Although both capital expenditure and grant totals will change, at the time of drafting this report indications are that the cost to the Council of replacing Harris Academy should not exceed the net figure (£12.029m) included in the Capital Plan 2013-2017.

Conclusion

- 4.11 It is anticipated that, as shown in Hubco's master programme, it will be possible to seek the Committees' approval to proceed to Financial Close during August 2013 following the receipt of the finalised cost plan from Hubco and the confirmation of the level of grant funding by Scottish Futures Trust, with Financial Close subsequently being achieved during September 2013.
- 4.12 Nonetheless, given the level of contract documentation that requires to be agreed and completed under the Hub DBDA Contract and the consequential potential for a delay in reaching Financial Close, it would be prudent on the Council's part to take steps to ensure that the demolition of the existing school buildings commences as soon as possible after their vacation.
- 4.13 Accordingly, it is recommended that the Council enter into an enabling package with Hubco whereby they would take possession of the site in early August and commence asbestos removal, demolition and site preparation works in early September. The maximum cost of the advance works is expected to be of the order of £2m, which sum is covered in the overall project costs.
- 4.14 Whilst it will be necessary to agree in advance with Hubco the detailed documentation required to cover the enabling package, the finalising of the agreement would not take place until:
- a) an acceptable level of grant funding has been agreed with Scottish Futures Trust; and
 - b) it has been confirmed that the estimated net capital cost to the Council comes within the provision in the Capital Plan 2013-2017.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been screened for any policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk management. An Equality Impact Assessment has been carried out and is attached to this report.

6.0 CONSULTATIONS

- 6.1 The Director of Corporate Services and the Head of Democratic and Legal Services have been consulted in the compilation of this report.

7.0 BACKGROUND PAPERS

- 7.1 Report No 565-2010 considered by Education Committee on 27 September 2010

Report No 488-2011 considered by Education and Policy and Resources Committees on 28 November 2011

David K Dorward
Chief Executive

Michael Wood
Director of Education

07 May 2013

DUNDEE CITY COUNCIL

Equality Impact Assessment Tool

Part 1 Description / Consultation

Is this a Rapid Equality Impact Assessment (RIAT) ?	<input checked="" type="radio"/> YES	NO Please circle
Is this a Full Equality Impact Assessment (EQIA)?	YES	<input type="radio"/> NO Please circle
Date of assessment April 2013	Title of document being assessed Replacement of Harris Academy	
Committee report number 184-2013		
1) This is a new policy, procedure, strategy or practice being assessed (If yes please tick box) <input checked="" type="checkbox"/>	This is an existing policy, procedure, strategy or practice being assessed? (If yes please tick box) <input type="checkbox"/>	
2) Please give a brief description of the policy, procedure, strategy or practice being assessed.	This report outlines the procedures that will require to be undertaken to progress the Harris construction contract to Financial Close and also seeks approval to enter into an enabling package of advance works.	
3) What is the intended outcome of this policy, procedure, strategy or practice?	Improved education environment and community facilities.	
4) Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.	Disability Discrimination Act Current Building Regulations and Standards	
5) Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.	Presentation of the proposals was made to the West End Local Community Planning Partnership on 18 October 2012 and to the West End Community Council on 13 November 2012. A public exhibition of architect's drawings of the proposed layout of the new school was held over three days from 22 November to 24 November. During the development of the designs regular consultation meetings were held with staff and other key stakeholders. A member of the Harris senior management team also co-ordinated pupil input to the process where appropriate.	
6) Please give details of council officer involvement in this assessment. (E.g. names of officers consulted, dates of meetings etc)	Gillian Ross Pond. Capital Projects Director David Mann, Education Adviser to Capital Projects Team	
7) Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed	No	

policy? (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)	
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Part 2 Protected Characteristics

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Ethnic Minority Communities including Gypsies and Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People with a disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lesbian, Gay and Bisexual	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Socio-economic	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part 3 Impacts / Monitoring

<p>1) Have any positive impacts been identified? (We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>Disability - The new school building will comply with current DDA requirements and will be barrier free.</p>
<p>2) Have any negative impacts been identified? (Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>No</p>
<p>3) What action is proposed to overcome any negative impacts? E.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. see Good Practice on DCC equalities web page</p>	<p>N/A</p>
<p>4) Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome? (If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>N/A</p>
<p>5) Has a 'Full' Equality Impact Assessment been recommended? (If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required) Seek advice from your departmental Equality lead.</p>	<p>No</p>
<p>6) How will the policy be monitored? (How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.</p>	<p>It is intended that a post occupancy evaluation will be carried out once the school is operational.</p>

Part 4 Contact information

Name of Department or Partnership: Education Department

Type of Document

Human Resource Policy	<input type="checkbox"/>
General Policy	<input type="checkbox"/>
Strategy/Service	X
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other	<input type="checkbox"/>

Contact Information

Manager Responsible	Author Responsible
Name Gillian Ross Pond	Name Gillian Ross Pond
Designation Capital Projects Director	Designation Capital Projects Director
Base Floor 3, 5 City Square	Base Floor 3, 5 City Square
Telephone 01382 435161	Telephone 01382 435161
Email gillian.rosspond@dundeecity.gov.uk	Email gillian.rosspond@dundeecity.gov.uk

Signature of author of the policy:

Gillian Ross Pond

Date 24 April 2013

Signature of Director / Head of Service area:

Michael Wood

Date 24/4/13

Name of Director / Head of Service:

Michael Wood

Date of next policy review:

N/A