

Date: 08 April 2010
Agenda Item No. 6

Building Fife's Future: Madras College Business Case

Report by: Kenneth Greer, Executive Director Education

Wards Affected: 17, 18, 19, 20, 21

Purpose

To present the Business Case for the proposed investment in a new build for Madras College, St Andrews.

Recommendation(s)

It is recommended that the Committee approve:

The Business case which includes the feasibility study, for the New Build option at the Langlands B site, along with the updated programme for delivering the New Build option for Madras.

Resource Implications

Capital cost estimated at no more than £40m. An indicative budget of £40m for this project has been provided for in the Capital Investment Plan, 2009-19. St Andrews University will be investing up to £10m in the adjacent sports facilities.

Legal & Risk Implications

Key risks are summarised in attached papers.

Policy & Impact Assessment

Key contribution to the following meeting the following Council priorities:

- Improving educational attainment & achievement for all;
- Improving sport, leisure & cultural opportunities; and,
- Making Fife the leading green council in Scotland.

Consultation

Consultation on development of different elements of the Business Case has taken place over a number of months. Groups consulted have included: School Estate Development Group, School Estate Development Board, Local Development Group and Education senior management team.

BUILDING FIFE'S FUTURE – MADRAS COLLEGE BUSINESS CASE

1.0 Introduction

1.1 This document is the business case report for proposed new build of Madras College at the Langlands B site and should be read in conjunction with the following appendices:

Appendix 1: Project Business Case

Appendix 1A: Design Feasibility

Appendix 1B: Cost Estimate

Appendix 1C: Programme

Appendix 1D: Remit of the Madras Project Board

Appendix 1E: Framework Memorandum

1.2 The replacement of Madras was agreed by the Council as part of the Building Fife's Future programme of work. The Education & Children's Services Committee on 12 November 2009 agreed that the Langlands B site be adopted as the preferred location for development of a new build Madras College at St Andrews West. The refurbishment and extension of Kilrymont will be held open as an option to ensure delivery of the over-riding objective of fit for purpose secondary educational facilities in the locality should the partnership proposals with the University fail to crystallise.

2.0 Project Background

2.1 Fife Council has agreed eight clear priorities:

- Improving educational attainment and achievement for all
- Making Fife the leading green Council in Scotland
- Improving local conditions for economic development
- Increasing access to housing
- Improving community safety
- Targeting support to vulnerable people
- Improving sport, leisure and cultural opportunities
- Becoming a top performing Council

2.2 Fife Council plans to invest approximately £126M in the school estate over the next ten years to build four secondary schools and two primary schools, this programme will directly or indirectly contribute to achieve four of above priorities. The Council regards its ten year programme of renewing and improving schools as a visionary project.

2.3 The current 10 year delivery programme includes 4 secondary schools and 2 primary schools. This project along with the new High School in Dunfermline and Carnegie Primary School forms the first phase of that programme.

2.4 The most immediate driver for Madras College School is that although the buildings are in a satisfactory condition, the accommodation is split over two separate sites. They are inflexible in configuration and the South Street complex is not amenable to

renovation to current standards. Neither is the school 'fit for current purpose' in terms of teaching and learning accommodation or ICT capability.

- 2.5 Madras College is currently rated B (Satisfactory) in terms of Condition and D (Bad) in terms of Suitability per the School Estate Management Plan, as measured against the Scottish Government School Estate standard evaluation criteria.
- 2.6 The key project benefit is, to provide a purpose built establishment which will meet the educational needs for the future. This educational opportunity also captures the synergy of co-location and shared used of facilities with St Andrews University.

3.0 Scope

- 3.1 The Education Service has embarked on a major new replacement and renewal programme for its school estate. In order to describe its desired outcomes and quality expectations, the Programme Board has developed a strategic design brief which will inform designers and contractors of the Council's key requirements for future community-use secondary schools based on the big 8 priorities, established best practice, previous experience and wide user consultation.
- 3.2 The Business Case considers the preferred new build option for Madras College on the Langlands B site at the North Haugh campus of St Andrews University.

4.0 Constraints

- 4.1 The main constraints for the New Build solution relate to planning consents and land acquisition and, in particular with regard to the latter, the timing of the exchange of titles for the South Street and Langlands B sites. There is the increased complication of commercial agreements relating to the sharing of the facility with the University of St Andrews and the extent of this won't be known until conclusion of the commercial negotiations.

5.0 Outline Business Case

- 5.1 It will provide feasibility requirements, projected costs and a draft programme for delivering the new build option for new Madras College.
- 5.2 It will provide a draft block outline design, site layout for a new Madras College as a proof of concept to ensure that the school comfortably sits with in the site and meets all educational requirements.

6.0 Strategic Appraisal

- 6.1 The project team reviewed all viable options for Madras College, and identified the advantages and disadvantages.
- 6.2 From this appraisal, the project team confirmed that the options for the redevelopment of the school were ranked as follows:
1. New build on the Langlands B site;
 2. Redevelopment of the existing facilities at the Kilrymont site
 3. Status Quo
- 6.3 Having regard to these considerations and to the unique opportunity to partner with the University of St Andrews to create a joint facility providing services to the school, community and University, Committee agreed that the Langlands B site be adopted as the preferred location for development of a new build Madras College at St Andrews West, with the Kilrymont option being held open as a fall-back position.
- 6.4 The new build option brings with it the following advantages:
- Single, integrated high quality facility bringing together two historically significant organisations;
 - Available for occupation by school pupils 2013;
 - Sustainable facility with a strong identity and presence to be procured and run on a partnership basis; shared costs, shared resources; shared practices;
 - Unique opportunity to improve academic links and improve transition between school and university
 - Provision of enhanced facilities for sport, adult education and community use that will *'give something back to the local community'*.
 - Opportunities for greater engagement between the Education Service and the University generally as well as greater integration of other services such as music centre, student support services and articulation between secondary school and Higher and Further education;
- 6.5 The new build also brings with it significant challenges as indicated in the risks section of the business case, hence the decision to keep the Kilrymont option being held open as a fall-back position
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7.0 Financial Appraisal

7.1 New Build

7.1.1 Summary details of the outcome of the business case review process are as follows:

Estimated Capital Cost	£34,951,586.00*
Estimated Completion Date	August 2013
Fees	£2,446,611.00
ICT	£2,590,000.00
Total Budget	£39,988,197.00

* Includes furniture costs

7.1.2 The costs are based on a base index of 1st quarter 2010 and an inflationary factor is applied by the investment planning process so no further adjustment is provided here. Currently there is a degree of uncertainty in the construction market and it is considered imperative that the situation is kept under close review to quickly identify any movement in market conditions. All costs provided are exclusive of VAT.

8.0 Funding and Affordability of the Options

- 8.1 The Policy Finance & Asset Management Committee approved capital funding of a maximum of £40m on 11 Sep 2009.
- 8.2 Funding for the project would come from the above and the University will be investing an additional £10m in the adjacent sporting facilities.
- 8.3 The current cost estimate is £39,988,586.00 in Q1 2010 prices. This is unlikely to change materially due to inflation in the period through to the target construction start of summer 2011 given the economic forecast.
- 8.4 This is on the basis that all required facilities are being provided within the school for the purpose of the business case only and will form the baseline position against which the shared facilities with the University will be agreed as part of the commercial negotiations.

9.0 Programme

9.1 The key dates for the New Build option based on the current programme for a single tender D&B approach are as follows:

Permission in Principle	January 2011
Detailed Planning	June 2011
Contract Award	July 2011
Construction Start	August 2011
Target date for School to Open	August 2013

10.0 Designs

10.1 For the business case purpose the concept designs / feasibility design are based on simple space massing linked to phasing designs and landscape, these designs are for costing and programming purposes only and form a proof of concept to provide assurance that the building/external areas can be accommodated on the proposed site in accordance with the strategic brief and stated areas. However the proof of concept sketch will have to be validated once the brief and schedule of accommodation have been finalised.

11.0 Project Team

11.1 Asset and Facilities Management Service is leading on the management of the programme with the full commitment and contribution of the School Estate Development Board, led by Education Service and supported by a member-officer working group (The School Estate Development Group).

11.2 A project team led by a programme manager has been set up, responsible to the Programme Board, to design and procure the required facilities, to planned budgets and timescales, using well established project management procedures.

12.0 Risk Management

12.1 Risks associated with the options considered are identified as part of the Business Case. A comprehensive risk management strategy is being prepared.

13.0 Conclusion

- 13.1 The Business Case confirms the new build solution at the Langlands B site as the best option for investment. It is recommended that this option is adopted subject to satisfactory agreement for the use of the shared facilities with St Andrews University

List of Appendices

Appendix 1: Project Business Case

Appendix 1A: Design Feasibility

Appendix 1B: Cost Estimate

Appendix 1C: Programme

Appendix 1D: Remit of the Madras Project Board

Appendix 1E: Framework Memorandum

Background Papers

The following papers were relied on in the preparation of this report in terms of the local Government (Scotland) Act, 1973:

- Policy, Finance & Asset Management Committee meeting of 12 June 2008
Item 04 titled “Capital Investment Plan 2008-2011”

Link to committee report on fifedirect

<http://190.1.145.60/fish/uploadfiles/Publications/Item%204%20-%20Capital%20Investment%20Plan%202008-11.doc>

Item 04 titled “Capital Investment Plan 2008-2011- Appendices”

Link to committee report on fifedirect

<http://190.1.145.60/fish/uploadfiles/Publications/Item%204%20-%20Capital%20Investment%20Plan%202008-11%20-%20Appendices%201-4.xls>

- Education and Children’s Services Committee meeting of 21 August 2008
Item 06 titled; “School Estate Development Programme: Governance and Reporting Arrangements”

Link to committee report on fifedirect

<http://190.1.145.60/fish/uploadfiles/Publications/Item%206%20-%20School%20Estate%20development%20Prog.%20-%20Governance%20%20Reporting%20Arrangements.doc>

- Education and Children’s Services Committee meeting of 8 January 2009
Item 04 titled; “School Estate Development Programme Progress Report Appendix 1”

Link to committee report on fifedirect

<http://190.1.145.60/fish/uploadfiles/Publications/Item%204%20School%20Estate%20Development%20Programme%20Appendix%201.xls>

Link to committee report on fifedirect

- Fife Council meeting of 19 February 2009
Item 06 titled “Capital Investment Plan 2009/2019”

Link to report on fifedirect

<http://190.1.145.60/fish/uploadfiles/Publications/Item%2006%20-%20Capital%20Investment%20Plan%202009-19.doc>

- Fife Council meeting of 19 February 2009
Item 06 titled “Capital Investment Plan 2009/2019 - Appendices A-E”

Link to report on fifedirect

<http://190.1.145.60/fish/uploadfiles/Publications/Item%2006%20-%20Capital%20Budget%20Report%20-%20Apps%20A-E.pdf>

- Education and Children's Services Committee of 12th November, 2009
[Item 06 – “Building Fife's Future: Update”](#)

<http://190.1.145.60/fish/uploadfiles/Publications/Item%2006%20-%20Building%20Fifes%20Future%20-%20Update.doc>

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