

**COUNCIL EXECUTIVE****ST KENTIGERN'S ACADEMY, BLACKBURN – ENABLING WORKS UPDATE AND STAGE 1****JOINT REPORT BY THE DEPUTE CHIEF EXECUTIVE (EDUCATION AND PLANNING SERVICES) AND HEAD OF FINANCE AND PROPERTY SERVICES****A. PURPOSE OF REPORT**

The purpose of this report is to provide a further update to Council Executive in relation to the works associated with the Reinforced Autoclaved Aerated Concrete (RAAC) Panels at St Kentigern's Academy, including the progress made in relation to the construction works and design, with approval requested to put in place a Design and Build Development Agreement (DBDA) to allow further enabling works to proceed and to allow officers to continue through the next stage of the design process with Hub South East.

B. RECOMMENDATION

It is recommended that Council Executive:

1. Notes the good progress made at St Kentigern's Academy in terms of the enabling works and the long-term solution, whilst maintaining an operational school;
2. Approves the next stage of the enabling works through a Design and Build Development Agreement (DBDA) contract, up to a value of £7.33 million as set out in Section D.2 of this report;
3. Delegates authority to the Head of Finance and Property Services to execute and deliver the enabling works DBDA and associated documentation on behalf of the Council;
4. Notes that a Letter of Intent was executed by the Head of Finance and Property Services in relation to the demolition of the RAAC building following removal of the RAAC planks and asbestos;
5. Approves the formal submission of a New Project Request (NPR) to Hub South East for the delivery of the new replacement building and associated enabling works;
6. Notes that the current projected cost for the Hub South East portion of works is £28 million;
7. Notes that the current projected costs are £35 million for the overall works at St Kentigern's Academy, associated with the RAAC panels and constructing a new replacement building;
8. Notes that discussions are ongoing with the Scottish Government to seek support to fund the works at St Kentigern's Academy;
9. Notes the next steps and the proposed delivery timescales including completion in June 2026 for the new replacement building; and

10. Notes that, at the next key project milestone in early 2025, prior to financial close and construction commencement of the main works, a further report will be presented to Council Executive for consideration.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Caring and compassionate; open, honest and accountable; collaborative, inclusive and adaptive.
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	The Local Government etc (Scotland) Act 1994; Education (Scotland) Act 1980 and related regulations; The Standards in Schools (Scotland) Act 2000; The School Education (Amendment) (Scotland) Act 2002; Procurement Reform (Scotland) Act 2014; Standing Orders for the Regulation of Contracts.
III	Implications for Scheme of Delegations to Officers	Recommendation 3 seeks approval to delegate authority to the Head of Finance and Property to execute and deliver the enabling works DBDA and associated documents to allow the construction of the new car park and associated works.
IV	Impact on performance and performance Indicators	Pending approval, the enabling works will support various performance measures contained in the Corporate Asset Management Strategy and Property Asset Management Plan, including those relating to Compliance, Condition, Suitability, Sufficiency, Sustainability and Accessibility.
V	Relevance to Single Outcome Agreement	Outcomes positively supported include: Our children have the best start in life and are ready to succeed; We are better educated and have access to increased and better-quality learning and employment opportunities; people most at risk are protected and supported to achieve improved life chances; we make the most efficient and effective use of resources by minimising our impact on the built and natural environment.
VI	Resources - (Financial, Staffing and Property)	The project will be funded from the approved RAAC budget of £35 million for St Kentigern's Academy. These works, will be managed through existing staff resources and supported by funded internal staffing and external technical consultants from within the council's financial resources.
VII	Consideration at PDSP	None required.

VIII Other consultations

Financial Management Unit and Education.

D. TERMS OF REPORT**D.1 Background and Current Status**

Regular updates have been provided to Council Executive on the situation at St Kentigern's Academy in relation to the RAAC panels. Officers have made good progress in terms of the long-term solution required that consists of a scope of demolishing the existing RAAC building and accommodation directly linked into that area of the school, that will be followed by the construction of a new replacement building.

A key objective for officers is to deliver the new wing as quickly as possible and in order to get to this stage, careful phasing and further enabling works is required in order to minimise disruption to the operation of the school.

Details of these enabling works along with an update on the long-term option and reaching the milestone of Stage 1 of the Hub process are contained in the next sections of this report.

D.2 Enabling Works

At Council Executive on 15 August 2023, enabling works up to the value of £5.966 million were approved to remove the RAAC roof panels and associated asbestos and the construction of a permanent plant area located to the East of the school site.

The majority of these works are now complete and it is imperative that construction works can continue to undertake the new car park works so it is available for use when the school returns for the start of the new academic term in August 2024.

The new car park works and associated drainage was competitively market tested through Hub South East, returning a cleansed cost of £1.9 million. This can be met within the budget allocation for this portion of the works.

A key priority for the council is to deliver the new building as quickly as possible, given the disruption the school has encountered with the RAAC issue. Officers, in conjunction with the project team have been looking at ways for works to continue on site, whilst obtaining all statutory consents and allowing adequate time for the design to develop and elements of work to be fully market tested to achieve best value for the council. It is the intention to instruct in the substructure and steel frame elements once they have been fully designed and market tested through an enabling works DBDA, that will initially cover the new car park works and the demolition scope included under a letter of intent that is already in place.

In order to maintain the programme phased in conjunction with the removal of the RAAC panels and asbestos, a letter of intent was required to be in place for the demolition of the RAAC building and accommodation directly linked to this area. This was executed on 2 December 2023 and is due to expire on 19 June 2024. Once the enabling works DBDA is executed then the letter of intent becomes subsumed into this contract pending the date of execution being met prior to the date of expiry. The value of the letter of intent is £730,000 with the demolition package competitively market tested and tenders reviewed by the cost advisor.

The main works DBDA isn't due to be executed until 11 February 2025 so being able to progress with the substructure and steel frame prior to this will provide an overall betterment to the delivery programme, that is currently projected to be 10 June 2026.

This reduction in programme is yet to be finalised and work is ongoing to identify what this will be.

A breakdown of the elements of work to be contained in the enabling works DBDA is summarised in the table below:

Item	Capital Cost
1. New car park works and associated drainage.	£1.90 million
2. Substructure and steel frame	£3.60 million
3. Associated non-prime costs (fees and surveys)	£1.10 million
4. Demolition works – letter of intent	£0.73 million
Total	£7.33 million

The costs of £7.33 million set out in the table would all have been incurred as part of the project costs and will be met from the already approved budget of £35 million for St Kentigern's Academy as set out under Section C, Item VI of this report.

This report seeks approval to formally accept the proposed construction cost up to a total value of £7.33 million, pending value for money being achieved for the council through a rigorous market testing process for the substructure and steel frame elements.

It is proposed that the Head of Finance and Property Services is provided with delegated authority to conclude the appropriate commercial and legal agreements, to progress the enabling works DBDA to financial close on the basis that there is no material change in costs or timescales and any alterations continue to represent best value.

D.3 Stage 1

Following approval at Council Executive on 3 October 2023 to proceed with the next stage of design for the new building through to the end of Hub Stage 1, this point of the development stage has now been achieved.

To progress the project to the next stage and to refine and finalise the total costs, together with confirming proposed contractual delivery timescales, the council requires to issue a formal New Project Request to Hub South East. This will establish the affordability cap, delivery timescales, accommodation brief and milestones for measuring progress. In addition, this part of the process notifies the supply chain that the project is confirmed for delivery and that detailed market testing and tendering can be undertaken.

This report seeks approval to formally issue the New Project Request to Hub South East on the basis of the estimated total costs and timescales outlined in this report.

Through the Stage 1 process, the brief has become more defined with accurate costings reflecting the current design status. The Hub affordability cap is estimated to be £28 million, with the overall estimated development cost for the council remaining as £35 million, as per previous reports to Council Executive. Items such as the temporary units, the temporary kitchen and the refurbishment of the Almond Suite to convert to CDT workshops sit out with the Hub scope and therefore the council has made provision for these costs separately to arrive at the £35 million budget.

It should be noted that the current estimated cost of £35 million as an overall development cost is extremely challenging and officers are continuing to work very hard with the project

team appointed through Hub South East and the Tier-1 contractor to maintain that position.

Discussions remain ongoing with the Scottish Government around funding support to deliver the works required at St Kentigern's Academy. To date, no funding support has been confirmed.

D.4 Next Stages and Project Milestones

In terms of statutory consents, planning approval for the new car park works and building warrant approval has been awarded. Planning for the new building is due to be submitted by the end of July 2024, with a staged warrant process being worked through.

The key focus, pending approval, is to proceed through Stage 2 of the Hub process in accordance with the following outline programme for delivery:

Project Stage / Milestone	Projected Date
Stage 2 submission	14 January 2025
Financial close	11 February 2025
Construction commencement on site (excluding enabling works items)	26 February 2025
Construction completion	10 June 2026

E. CONCLUSION

Good progress has been made in what continues to be challenging circumstances for the council. Complex phasing is required that takes into account the site constraints with the minimal amount of disruption considered throughout to the operation of the school.

A further report on St Kentigern's Academy will be provided to Council Executive in early 2025 where it is expected that Stage 2 of the Hub process will have been reached and financial close for the main works DBDA due shortly thereafter. Although the situation in relation to the impact of the RAAC panels has been testing, with officers having to deal with various challenges, it will result in a much improved education facility once the construction phase is complete and the new building operational.

F. BACKGROUND REFERENCES

Reinforced Autoclaved Aerated Concrete Roofs - Report to Council Executive 22 June 2021

Reinforced Autoclaved Aerated Concrete Roofs – Report to Council Executive 21 June 2022

Reinforced Autoclaved Aerated Concrete Roofs – Report to Council Executive 20 December 2022

Structural Projects, Learning Estate – Report to Council Executive 7 February 2023

Reinforced Autoclaved Aerated Concrete Panels, Relocation of Craft, Design and Technology Department – Report to Council Executive 25 April 2023

Reinforced Autoclaved Aerated Concrete Panels and Urgent Requirement for Temporary Accommodation – Report to Council Executive 25 April 2023

Reinforced Autoclaved Aerated Concrete Panels, Proposed Options to Provide a Long-term Solution – Report to Council Executive 23 May 2023

Reinforced Autoclaved Aerated Concrete Panels, Curriculum, Learning and Teaching Provision – Report to Education Executive 23 May 2023

Reinforced Autoclaved Aerated Concrete Panels, Advanced Works – SO31 Report to Council Executive 15 August 2023

Reinforced Autoclaved Aerated Concrete Panels, Enabling Works – Report to Council Executive 15 August 2023

Reinforced Autoclaved Aerated Concrete Panels, Long Term Proposal – Report to Council Executive 3 October 2023

Appendices/Attachments: None

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11 June 2024