

REPORT TO: EDUCATION COMMITTEE - 28 FEBRUARY 2011

REPORT ON: RE-LOCATION OF LAW NURSERY INTO ROSEBANK PRIMARY SCHOOL

REPORT BY: DIRECTOR OF EDUCATION

REPORT NO.: 129-2011

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to ask the Education Committee to consider and approve in principle the re-location of Law Nursery into Rosebank Primary School, subject to statutory consultation as outlined in the Schools (Consultation) (Scotland) Act 2010.

2.0 RECOMMENDATIONS

- 2.1 The Education Committee is asked to:
- i. note and approve the contents of this report;
 - ii. note that two options are offered for consideration for the re-location of Law Nursery (paragraph 6.1.1 below)
 - iii. approve in principle option 2 (the permanent re-location of Law Nursery into Rosebank Primary School; and
 - iv. instruct the Director of Education to prepare a full Proposal Paper, including an Educational Benefits Statement, consult formally on the proposal contained in recommendation iii) above, in terms of the Schools (Consultation) (Scotland) Act 2010, and report back to Committee in due course on the outcome of the consultation.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The preferred option is option 2. The capital cost of option 2 is estimated at £120,000 and can be met from the Education Department's capital plan 2011-14.
- 3.2 Option 2 does incur one-off revenue costs of £10,000 for removals which can be met from the Education Department's Revenue Budget for 2011-12. However, annual revenue savings can be made of £49,460 over option 1.

4.0 BACKGROUND

- 4.1 The Education Department is committed to provide satisfactory nursery accommodation that serves the geographical demand and statutory entitlement for 3 - 4-year old pre-school education throughout Dundee.
- 4.2 The ground on which Law Nursery is situated in Lawside Road is leased from the Trustees for the Roman Catholic Church Diocese of Dunkeld. The lease expired on 12 November 2010 and now runs on a year-to-year basis with either party requiring to give the other 40 days' notice to terminate the lease. The current ground rent is £7,500 per annum.

- 4.3 The nursery presently has a capacity for 70 full-time equivalent children.

5.0 PROPOSAL

- 5.1 The Council, with regard to its asset management strategy, has a requirement to consider the optimum use of existing Council properties, effecting capital and revenue savings where possible, and maximise capital receipts by disposing of surplus properties. Within this context, it is proposed that Law Nursery should be re-located into Rosebank Primary School
- 5.2 There are advantages in considering the integration of a nursery facility within a primary school. In terms of the learning and teaching experience, such a move can facilitate the implementation of the Curriculum for Excellence and make the transition from early years education to primary education seamless and smooth. Good practice throughout Dundee in primary schools with nursery classes attached shows that there are good opportunities for staff and pupils to move between the two stages, and for peer contact among nursery and primary children.
- 5.3 The Education Committee will wish to note two constraints to this proposal. Firstly, as indicated above, the lease expired in November 2010 and now runs on a year-to-year basis. In its present form this does not give the Council security of tenure. Secondly, the nursery building is of a timber temporary modular construction and is maintained by Dundee City Council. The building, whilst in a generally reasonable condition, requires some maintenance and upgrading to its kitchen servery in the current year to satisfy environmental health concerns, and the City Architectural Services Officer advises that it will require a complete rewire in the near future.

6.0 OPTION APPRAISAL

6.1 Options

- 6.1.1 Two options for the future education of children attending Law Nursery are offered for consideration:
- Option 1 status quo, i.e. requiring Law Nursery to remain in its present location, thereby committing the Council to the necessary ongoing maintenance to satisfy environmental and health and safety considerations; this option would also require the Council to negotiate and extend the existing lease for a reasonable period.
- Option 2 relocation to Rosebank Primary School: this building, with appropriate adaptation, has been identified as being suitable and having sufficient capacity to accommodate the Nursery; this option would allow the Council to terminate the existing lease with the Roman Catholic Church.
- 6.1.2 Were the Education Committee to approve this option 2 in principle, it would be necessary, under the terms of the Schools (Consultation) (Scotland) Act 2010, to consult formally with all parents/carers of children attending Law Nursery and Rosebank Primary School, the Parent Council of Rosebank Primary School, the staff of both establishments, trade union representatives and other interested bodies. The consultation process will require input from HMle, following which a Consultation Report will be brought to the Education Committee for consideration and a final

decision. If the option is approved, it is anticipated that re-location will take place at the start of the new academic session in August 2011.

6.2 Income and Expenditure

6.2.1 The initial capital and revenue (removal) costs for the two options are set out in the following table. It should be noted that the Rosebank Primary School rewire and toilet upgrades are currently scheduled in the Education Department Capital Plan for 2011-13.

	Option 1	Option 2
Capital Costs:	£	£
Law Nursery kitchen (2011-12)	15,000	-
Law Nursery rewire (2012-13)	80,000	-
Demolition of Nursery	-	15,000
Alterations for Nursery	-	105,000
Rosebank toilet upgrade	40,000	40,000
Rosebank rewire (2011-12)	123,000	123,000
Rosebank rewire (2012-13)	135,000	135,000
Revenue (removal) Costs	-	£10,000
Total Initial Capital/Revenue Costs	£393,000	£428,000

6.2.2 The annual staffing costs for Law Nursery, based on a full year at 2009-10 salary levels are as outlined below. The difference in costs is because the Nursery would be managed by the Head Teacher of Rosebank and the present Head Teacher post would be replaced by an unpromoted class teacher.

	Option 1	Option 2
Staffing Costs	£250,728	£233,168

6.2.3 The annual property revenue costs, based on a full year at 2009-10 price levels are as follows:

	Option 1	Option 2
	£	£
Rent and Rates	38,100	28,800
Repairs and Maintenance	21,600	13,200
Cleaning	37,700	32,400
Water	2,900	2,300
Gas	13,800	13,800
Electricity	20,600	12,300
Total Annual Revenue Costs	£134,700	£102,800

6.3 Net Present Value Calculation

6.3.1 The Net Present Value (NPV) calculations using a discounted rate of 3.5% over 25 years are as set out in the following table.

	Option 1	Option 2
Property Related Costs	£3,270,000	£2,624,000

6.4 Non-Monetary Costs and Benefits

6.4.1 Option 1 – status quo

Costs There is uncertainty of security of tenure of the Law Nursery site and a need to renegotiate leasing terms. Secondly, the planned rewire of the nursery building might cause significant disruption. Thirdly, Rosebank Primary School with a roll of 130 in September 2010 continues to operate well below its working capacity figure of 426 (30.5%).

Benefits The location will remain familiar to the parents/carers and children.

6.4.2 Option 2 – relocation

Costs There will be temporary disruption arising from the physical relocation, and initial lack of familiarity with the new location.

Benefits Integration of the nursery school with the primary school will allow greater flexibility and coherence in curriculum delivery. In addition there will be significant savings in staffing costs because of the shared facility. Lastly, the Council can terminate the ground lease for the Law Nursery site, and therefore will maximise the optimum use of existing Council properties.

6.5 Impact Statement

	Option 1	Option 2
Continued provision of nursery facility	√	√
Maximum use of Council properties	X	√
Maximise Capital Receipts	X	√
Integration of nursery class within a primary school setting	X	√

6.6 Recommendation for Approval

- 6.6.1 Option 2 has the lower annual property costs, offers the lower Net Present Value over a 25-year period, and satisfies the corporate asset management criterion of optimum use of Council properties. It also offers the integration of the nursery school within a primary school environment, and brings an opportunity for reduced staffing costs in the future. Option 2 is therefore recommended.

6.0 POLICY IMPLICATIONS

- 6.1 This report has been screened for any policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk management. There are no major issues. An equality impact assessment has been carried out and will be placed on the Council website:
www.dundee.gov.uk/equanddiv/equimpact/.

7.0 CONSULTATIONS

- 7.1 The Chief Executive, the Depute Chief Executive (Support Services) and Director of Finance have been consulted on this report. The Roman Catholic authorities have also been consulted.

8.0 BACKGROUND PAPERS

- 8.1 Equality Impact Assessment.

Jim Collins
Director of Education

10 February 2011

JC/MM/DC