

Report

Report to:	Education Resources Committee
Date of Meeting:	31 August 2021
Report by:	Executive Director (Education Resources) Executive Director (Housing and Technical Resources)

Subject:	Acquisition of Nursery Modular Units at St John the Baptist Primary School, Uddingston
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ seek approval for the acquisition of the nursery modular units at St John the Baptist Primary School, Uddingston.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the Council purchase and acquire the modular accommodation at St. John the Baptist Primary School Nursery, Uddingston on the terms and conditions outlined in Section 5 and take forward the proposed alterations highlighted in this report from the existing capital funding budget for early years and;
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, if appropriate, be authorised to conclude all matters in respect of the acquisitions and to enter into the necessary legal agreements on terms which are in the best interests of the council.

3. Background

- 3.1. In 2013, the Council entered into an annually renewable lease with Portakabin Limited to provide a modular nursery building within the grounds of St. John the Baptist Primary School, Uddingston. The units were to be leased for an initial 2-year period to be utilised as the nursery for the nearby Muiredge Primary School Nursery Class, during the construction of this new school and nursery. The new Muiredge Primary School and Nursery Class was occupied in August 2016. However, during the period of decant, the Early Years Service experienced a large growth in nursery place applications in the Uddingston area and a new permanent Nursery Class for 32 children was opened at St. John the Baptist Primary School in August 2016, utilising the modular units already in situ for the Muiredge Nursery decant. This provision allowed local children to attend Early Learning and Child Care in their local community.
- 3.2. At this time, the Council made enquiries to Portakabin Limited with a view to acquiring the rented units as the new nursery at St. John the Baptist is a permanent facility. Portakabin responded that, as the units were part of their lease portfolio, they were

not in a position to sell until they had made the necessary return on their investment. They have confirmed that they are now in a position to sell the units.

- 3.3. The proposal is for the Council to undertake alterations to the modular units on the site at St John the Baptist if agreement is reached on the purchase of the modular units. With the units in the ownership of the council, we would be in a position to upgrade them to the same specification which has recently been undertaken to the nursery modular units at St. Brides Primary School, Bothwell. At this nursery, the council already owned the units and a roof and brick façade was erected to provide a more permanent building which was sympathetic to the design of the existing school. The works also provided better insulation standards and a sloping roof to minimise the potential of standing water and the possibility of roof leaks. Internal alterations were also carried out to make the building a better fit for the Early Learning and Child Care Curriculum. This project has been a very successful one where we can replicate the good practice and lessons learned for the proposed build at St John the Baptist.
- 3.4. The cost of a new 5-year rental agreement for the nursery units would be £100,320 excluding VAT, however, Portakabin offered to reduce this to £90,960 plus VAT as an alternative to purchase. Portakabin have confirmed that they would now sell the units at a purchase price of £125,000 excluding VAT. The lease can now be terminated at any time.

4. Property Options

- 4.1. An options appraisal has been carried out and these are summarised below.
- 4.1.1. The Council could allow the existing contract to end in June 2022 and find alternative arrangements for the provision of nursery provision. This would, however, require the St. John the Baptist Nursery Class to be decanted for a period of time as the removal of the existing nursery units and their replacement could not be undertaken over the summer recess. The existing rented units are 148 m² in area and Housing and Technical Resources (Design Services) have estimated a traditional new build replacement would require a budget of around £0.9m, including the costs of providing a decant nursery during construction. Based on timescales for similar buildings, the decant period could be 12 months. This is not considered to be a viable option.
- 4.2. Renew the lease agreement
- 4.2.1. The initial cost for a five-year period would be £90,960 excluding VAT, however, the Council would, at the end of the lease period, be back in the same position as it is now and require either to:-
- ◆ enter into a further lease agreement
 - ◆ purchase the units
 - ◆ build a new facility

This option is considered to be an extension of the lease agreement and does not provide a viable long term solution.

- 4.3. Purchase the modular units
- 4.3.1. The purchase price would be £125,000 excluding VAT as detailed in para 3.4 above. This is considered to be the most viable option in terms of best value and in ensuring continuity of early years provision for families.

5. Recommendation

- 5.1. The Council, having undertaken an options appraisal, is, therefore, invited to consider the benefits of purchasing the nursery units are follows:-

- ◆ provide a revenue saving of £18,192 per annum to the Council
- ◆ allow the Council to undertake alterations and adaptations to the nursery building to better meet the needs of children and families. (Currently all alterations or adaptations require to be approved and undertaken by Portakabin Ltd.)
- ◆ allow the Council to upgrade the nursery building, consistent to the quality of the nursery buildings being provided through the 1140 hours, Early Learning and Child Care Programme and to provide a high quality learning experience for all children
- ◆ the Council has funding of £0.395m within the current capital programme to purchase and upgrade the nursery accommodation at St John the Baptist Primary School (see also para 7.1)

5.2. It is recommended that the Council acquire the modular units from Portakabin Ltd at a purchase price of £125,000 excluding VAT.

6. Employee Implications

6.1. There are no employee implications to be considered at this time.

7. Financial Implications

7.1. The council has approved £0.395m within the current capital programme to undertake improvements and expansion of nursery provision in the Uddingston area. This funding will be sufficient to purchase and upgrade the nursery unit and allow it to become a permanent facility for Early Learning and Childcare within the Uddingston area.

7.2 There would be an annual revenue saving of £18,192 for rental of the unit.

8. Climate Change, Sustainability and Environmental Implications

8.1. The upgrading and improvement of the modular units will meet South Lanarkshire council requirements in respect to Climate Change, Sustainability and Environmental Implications wherever possible and practical. Opportunities for using renewable technologies will also be explored.

9. Other Implications

9.1. There are no other implications to be considered at this time.

10. Equality Impact Assessment and Consultation Arrangements

10.1. There was no requirement to carry out an Equality Impact Assessment in terms of this report.

10.2. Consultation has taken place with Housing and Technical Resources, Legal Services, Finance Services, the headteacher and other stakeholders including Portakabin Limited.

Tony McDaid
Executive Director (Education Resources)

Daniel Lowe
Executive Director (Housing and Technical Resources)

3 August 2021

Link(s) to Council Values/Ambitions/Objectives

- Improve achievement, raise educational attainment and support lifelong learning
- Ensure schools and other places of learning are inspirational

Previous References

- None

List of Background Papers

- None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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