

# Report

Report to: **Executive Committee**  
 Date of Meeting: **21 September 2022**  
 Report by: **Executive Director (Education Resources)**

Subject: **Secondary School Estate - Future Capacity Issues**

## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update on current secondary school pupil forecast numbers and the implications on accommodation requirements for the secondary school estate

## 2. Recommendation(s)

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

- (1) approve the 4 secondary school building works programme necessary to manage pupil growth (paragraph 4.1);
- (2) note that the priority of the 2 Learning Estate Investment Project funding bids is firstly secondary schools' expansion and secondly new SEBN Kear School; and
- (3) note the need to review the financial position in the wider context of the capital programme in January 2023 should the LEIP funding bid and City Deal Change Control procedures be unsuccessful.

## 3. Background

3.1. Table 1 below shows that secondary school pupil numbers are predicted to rise reflecting both the level of numbers transferring from the primary sector and the level of significant housing expansion within South Lanarkshire, primarily in the Community Growth Areas (CGA) of Newton, Hamilton, East Kilbride and Larkhall, but also in other major housing areas such as Cambuslang, Strathaven and Ferniegair.

**Table 1: Pupil Number Predictions**

School Year	2021 Actual	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate	2021-2026 Estimate Growth	Estimate Add'l Pupils post 2028 from New Housing
Pupil Nos.	20,160	20,745	21,343	21,549	21,613	21,785	+1,625 +8%	1,277

3.2. The growth is not evenly spread throughout the secondary estate and Appendix 1 shows the 4 secondary schools projected to experience accommodation pressures. It has, therefore, been necessary to review our capacity requirements, making use of all

potential external funding sources, while avoiding Council borrowing, if possible, given its limited availability.

#### 4. Planning Requirements for Building Works

- 4.1. The Table 2 below summarises the 4 secondary schools where it will be necessary to take action to increase the pupil capacity. Figures show the existing school capacity, pupil number forecasts, and new school capacity after building works have taken place.

**Table 2: School capacity and forecast pupil numbers**

School	Capacity	Pupils 2028	Pupils under(+) / over(-) capacity	Add'l Pupils post 2028	New Capacity after Works
<b>Calderside</b>	<b>1,438</b>	<b>1,345</b>	<b>+93</b>	<b>203</b>	<b>1,553</b>
<b>Holy Cross</b>	<b>1,377</b>	<b>1,524</b>	<b>-147</b>	<b>30</b>	<b>1,607</b>
<b>St. A &amp; St. B</b>	<b>1,515</b>	<b>1,710</b>	<b>-195</b>	<b>37</b>	<b>1,744</b>
<b>Uddingston</b>	<b>1,339</b>	<b>1,696</b>	<b>-357</b>	<b>39</b>	<b>Site Constraint</b>
<b>Uddingston with PRRs*</b>	<b>1,339</b>	<b>1,524</b>	<b>-185</b>	<b>39</b>	<b>1,507</b>

PRRs\* is with the application of placing request refusals together with building works. Any pupil changes which may arise from the Newton Farm/Hallside consultation are not reflected in Uddingston Grammar figures above and would not take full effect until 2030 and beyond.

- 4.2. Sections 5 to 8 of the report provide some information on physical requirements for the 4 secondary schools requiring works in the short term.

#### 5. Calderside Academy

- 5.1. From Appendix 1 it can be seen that the school will remain under Planning Capacity by approximately 100 pupils until 2028, however, part of the requirement is to expand ASN accommodation from August 2022. This will initially involve utilising available mainstream capacity within the school, which will temporarily reduce the Planning Capacity by around 100 pupils.
- 5.2. The specification is for 8 additional classrooms and a multi purpose area, together with ancillary and other associated space.
- 5.3. There is estimated pupil growth of 203 post 2028 as a result of the Hamilton Community Growth Area. The proposal is to undertake construction for additional support needs pupils (ASN), which would allow the mainstream classrooms being utilised for ASN to then revert to mainstream accommodation.
- 5.4. There is no opportunity for catchment realignment as the nearest non denominational school, Hamilton Grammar, is already operating close to its capacity.

#### 6. Holy Cross High School

- 6.1. From Appendix 1 it can be seen that the school is already managing higher pupil numbers than the Planning Capacity. By 2028, it is expected that the school will be 147 over capacity, with an estimated further 30 pupils generated from new housing post 2028. The proposal is to expand the school by constructing a separate teaching block close to the existing school building.

- 6.2. There is no opportunity for catchment realignment as the nearest denominational school, St. John Ogilvie High is already operating close to its capacity. Placing requests application levels are actively monitored and considered each year.

## **7. St Andrew's and St Bride's High School**

- 7.1. From Appendix 1 it can be seen that the school is already managing higher pupil numbers than the Planning Capacity. By 2028 it is expected that the school will be 195 over capacity with an estimated further 37 pupils generated from new housing post 2028. The project objective will be to create additional classrooms and associated accommodation in a separate building close to the existing building.
- 7.2. There is no opportunity for catchment realignment as St Andrew's and St Bride's High School is the only denominational school in the East Kilbride area. Placing requests application levels are actively monitored and considered each year.

## **8. Uddingston Grammar School**

- 8.1. From Appendix 1, it can be seen that the school will, year on year, exceed its Planning Capacity figure of 1,339 until 2028 when it will be 357 over capacity with an estimated further 39 pupils generated from new housing post 2028.
- 8.2. Due to the constricted school site, it will not be possible to provide this level of accommodation by wholly utilising a new build option, although a smaller scale extension to the rear of the existing building is planned. Appropriate management of Placing Request applications, particularly from other councils, should see a reduction in pupil numbers from an estimated 357 over capacity in 2028 to 185 over capacity in 2028, with an estimated further 39 pupils from new housing post 2028.
- 8.3. Working with the School Management Team, a number of internal alterations have been identified which could assist in creating more teaching space for the school. Phase 1 of these works was completed in summer 2022 and it is proposed that further internal adaptation works will take place in summer 2023. The extension would then take place following this.
- 8.4. Any pupil changes which may arise from the Newton Farm/Hallside consultation are not reflected in Uddingston Grammar School figures and would not take fuller affect until 2030 and beyond.

## **9. Remaining Secondary Schools – Medium Term Requirements**

- 9.1. Ongoing monitoring of forecast pupil numbers across the rest of the secondary school estate will continue on an annual basis. There will be some developer contributions available to assist in undertaking physical works to improve capacity, if required.

## **10. Procurement Options for Building Works in the 4 Secondary Schools**

- 10.1. A review of procurement options has concluded that the Best Value option is to construct the expansions of the 4 secondary schools through a Partnership approach utilising the existing PPP contract. There will be some legal and technical costs which will be incorporated within the estimated capital costs.

## **11. Learning Estate Investment Programme (LEIP)**

- 11.1. The Scottish Government has called on local authorities to prepare bids for the LEIP (Phase 3) Programme. The overall funding available across Scotland is £275m, up to 50% funding is available and projects require to be completed within 5 years, i.e. by December 2027. The application submission deadline is 31 October 2022, and the

full list of projects to be funded through LEIP is scheduled to be announced in December 2022.

- 11.2. Secondary School expansion meets the LEIP funding criteria, which makes specific reference to the 'Suitability' of accommodation and capacity issues caused by housing growth and economic development. Note that the proposed secondary school bid contains only 2 of the 4 projects, Holy Cross High and St Andrew's and St Bride's High Schools. The reason for this is that it is considered that it would be extremely difficult to meet the sustainability targets in an extension project to maximise LEIP funding.
- 11.3. Councils have been advised to prioritise bids as the amount of funding available may be insufficient to meet demand. A separate report presented to the Executive Committee proposing construction of a new building for Kear School is also to be funded partly via LEIP. However, as additional accommodation is required to allow for pupil growth in the secondary schools, the secondary schools expansion bid would be identified as first priority. The estimate costs for the 2 schools (Holy Cross and St Andrew's and St Bride's) is £14 million with potential LEIP funding of £7 million.

## **12. Financial Implications – Capital**

- 12.1. The total high-level budget estimate for the 4 secondary schools is £22.8 million. This estimate is subject to detailed design and tender.
- 12.2. The funding package is made up of a number of funding streams: City Deal Grant as part of the overall City Deal Programme, Developer Contributions and an assumption in respect of LEIP funding as there is the opportunity to bid for these monies. This is shown in Table 3.

**Table 3: Spend and Funding Sources**

	<b>Estimate Budget Required</b>	<b>City Deal and Developer Contributions</b>	<b>LEIP Funding Bid</b>	<b>Total Potential Income</b>
<b>4 Secondary School Projects</b>	<b>£22.8m</b>	<b>£15.8m</b>	<b>£7.0m</b>	<b>£22.8m</b>

- 12.3. It is noted that there is a risk in terms of when the developer contributions will be received. In addition, there is a risk that these income streams which are dependent on the house-building market, will be impacted by the current economic conditions, and developments will not progress as planned.
- 12.4. There is also a further risk if the LEIP bid is unsuccessful, and / or there is any slippage in receipt of the earmarked developer contributions. Should the LEIP funding bid and the City Deal Change Control procedures be unsuccessful, there will be a need to review the financial position in the wider context of the capital programme in January 2023.
- 12.5. The timing of the estimated annual expenditure and income means that, in 2025/2026, there is a shortfall in funding of £600,000. The timing of the receipt of developer contributions will depend on house building activity. If the timing of developer contributions means a temporary shortfall in funding, then the Council will have to borrow to manage this on a cash-flow basis. It will be repaid the following year. The expenditure and income profile, as well as the cost of borrowing, is shown in Table 4.

**Table 4: Profile of Spend / Income and Cost of Borrowing**

<b>4 Secondary Schools</b>	<b>21/22 Actual</b>	<b>22/23 Est.</b>	<b>23/24 Est.</b>	<b>24/25 Est.</b>	<b>25/26 Est.</b>	<b>26/27 Est.</b>	<b>Total Est.</b>
<b>Total Expenditure</b>	-	<b>£0.9m</b>	<b>£1.2m</b>	<b>£9.0m</b>	<b>£11.7m</b>	-	<b>£22.8m</b>
<b>Income:</b>							
City Deal	-	£0.5m	£0.8m	£4.6m	£2.9m	-	£8.8m
Dev. Contributions	£1.4m	£0.8m	£0.8m	£0.3m	£3.1m	£0.6m	£7.0m
LEIP Funding Bid	-	-	-	£2.3m	£4.7m	-	£7.0m
<b>Total Income</b>	<b>£1.4m</b>	<b>£1.3m</b>	<b>£1.6m</b>	<b>£7.2m</b>	<b>£10.7m</b>	<b>£0.6m</b>	<b>£22.8m</b>
<b>Cumulative Surplus/(Deficit)</b>	<b>£1.4m</b>	<b>£1.8m</b>	<b>£2.2m</b>	<b>£0.4m</b>	<b>(£0.6m)</b>	-	-
<b>Cost of Borrowing</b>	-	-	-	-	<b>£0.02m</b>	-	<b>£0.02m</b>

12.6. Table 4 above shows a minor cost of borrowing based on the assumed profile of expenditure and income of £20,000.

### **13. Financial Implications – Revenue**

13.1. There will be increased property costs such as property rates, utilities and additional fixed facilities services (cleaning, janitorial and catering). This has been estimated using the existing costs of similar sized schools.

13.2. There will also be additional annual revenue costs associated with an extension to the PPP contract under the budget line for the unitary charge. This will be subject to annual RPI as is consistent with the existing contract.

13.3. The table below summarises the required total estimated property related costs split between property running costs and PPP charges. These property costs will not be incurred until after project completions, currently targeted between August 2025 and January 2026, and require to be incorporated into Council budget planning.

**Table 5: Estimated Revenue Costs**

<b>4 Secondary Schools</b>	<b>Estimated Annual Increased Property Revenue Costs</b>
Total Property Running Costs	£0.447m
Total PPP associated charges	£0.241m
<b>TOTAL</b>	<b>£0.688m</b>

13.4. The costs in Table 5 do not include any costs associated with additional teacher requirements. (see section 14.1 below)

**14. Employee Implications**

14.1. For the 4 mainstream secondary schools, the standard teacher staffing formulae, which is dependent primarily on pupil numbers, will be applied annually as pupil growth occurs. An element of additional School Support Assistants will likely be required. This will have an implication as to annual revenue costs. These costs are not included within this report as increased staffing implications due to pupil growth is monitored separately for the whole education sector, regardless of whether physical building works are required.

**15. Climate Change, Sustainability and Environmental Implications**

15.1. Any projects undertaken will meet all South Lanarkshire Council requirements with respect to Climate Change, Sustainability and Environmental implications.

**16. Other Implications**

16.1. Risk implications are considered in section 12 of the report.

**17. Equality Impact Assessment and Consultation Arrangements**

17.1. None.

**Tony McDaid**

**Executive Director (Education Resources)**

2 September 2022

**Link(s) to Council Values/Priorities/Outcomes**

Our children and young people thrive

Inspiring learners, transforming learning, strengthening partnerships

Support children and young people to develop their skills for learning, life and work.

**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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## Appendix 1

Secondary School	Planning Capacity	2021	2022	2023	2024	2025	2026	2027	2028	Diff from Planning Capacity Under(+), Over (-)	Addn'l pupils post 2028 from New Hsg
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### Action Required

Calderside Academy	1,438	1,297	1,282	1,330	1,326	1,315	1,342	1,329	1,345	93	203
Holy Cross High School	1,377	1,408	1,427	1,477	1,504	1,521	1,533	1,514	1,524	-147	30
St Andrew's and St Bride's High School	1,515	1,552	1,653	1,711	1,769	1,746	1,756	1,748	1,710	-195	37
Uddingston Grammar School	1,339	1,265	1,355	1,409	1,458	1,558	1,631	1,691	1,696	-357	39

Includes 3 year average Placing Request adjustment  
and housing projections