
Report To: Education & Communities Committee **Date:** 13 June 2017

Report By: Corporate Director Education, Communities & Organisational Development and Chief Financial Officer **Report** EDUCOM/43/17/EM

Contact Officer: Eddie Montgomery **Contact No:** 01475 712472

Subject: Education Capital Programme 2016 – 2018 Progress

1.0 PURPOSE

1.1 The purpose of the report is to update the Committee in respect of the status of the projects forming the Education Capital Programme and to highlight the overall financial position.

2.0 SUMMARY

2.1 This report advises the Committee in respect of the progress and financial status of the projects within the overall Education Capital Programme.

2.2 The Capital Programme reflects the review of the School Estate Funding Model as reported to the November 2016 Committee. The programme covers the period 2016/18.

2.3 Overall the Committee is projecting to contain the costs of the 2016/18 Capital Programme within available budgets.

2.4 Expenditure at 31st March is 118.04% of 2016/17 approved budget; there is net advancement from future years of £1.361m (18.04%) being reported. It is anticipated that this reflects the final year end accounting process including accruals.

3.0 RECOMMENDATIONS

3.1 That the Committee note the progress on the specific projects detailed in Appendix 1.

3.2 That the Committee note and approve the additional expenditure on the Kilmacolm Primary School project and utilisation of the capital programme contingency (para 5.1).

3.3 That the Committee note and approve the reallocation of funding as detailed in 9.2 below and delegated authority to the Head of Legal and Property Services to agree, execute and deliver the Design and Build Development Agreement for the New Build West End of Greenock Early Years project (para 7.4) provided the cost is within the revised budget allocation for the project.

Wilma Bain
Corporate Director Education,
Communities & Organisational
Development

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 This report shows the current position of the approved Education Capital Programme reflecting the allocation of resources approved by the Committee at the meeting of 1st November 2016.
- 4.2 The School Estate Strategy approved by the Committee will deliver a comprehensive programme of new and refurbished schools which will address the modernisation of the Council's entire school stock. The acceleration of the School Estate Management Plan approved at the Council budget setting meeting of 10th March 2016 will see completion of the remaining projects by 2020. The Education Capital Programme detailed in this report shows details of projects which will incur expenditure up to March 2018.

5.0 PROJECTS COMPLETE ON SITE / WITHIN DEFECTS LIABILITY PERIOD

5.1 Kilmacolm Primary School Refurbishment:

The school transferred back to the refurbished building at the end of October 2016 with the first day of operation on the 28th. The Client Services Team continues to work with the school and stakeholders in conjunction with hub West Scotland and the Contractor to address snagging and defects utilising out of hours working as required during the defects liability period. The Committee is requested to note the projected final account position for the project. The project is reporting an over expenditure of £43K or 0.97% of the current approved budget. The Committee has previously approved utilisation of lifecycle budget to address a change in the original scope of the works in connection with additional playground resurfacing and underground drainage works. These works and the impact of accumulated minor variations have resulted in the increased costs on the project (refer Appendix 2). The Committee is requested to approve the utilisation of the overall capital programme contingency to address the over expenditure.

5.2 St Patrick's Primary School New Build:

The school transferred to the new facility at the end of November 2016 with the first day of operation on the 24th. The Client Services Team continues to work with the school and stakeholders in conjunction with hub West Scotland and the Contractor to address snagging and defects utilising out of hours working as required during the defects liability period.

6.0 PROJECTS ON SITE / UNDER CONSTRUCTION

6.1 Bluebird Family Centre Refurbishment:

The project commenced on site on Monday 30th January to complete July 2017. The Centre was decanted to accommodation within the existing St Joseph's PS in October 2016 to allow clearance and enabling works to be undertaken within the Bluebird building ahead of the main construction contract. The Contractor is currently reporting slightly behind programme with a revised completion date of 16th August. The Client Services Team will continue to monitor progress and liaise with the Early Years Service, Bluebird Centre and school staff to programme the transfer back to the refurbished building on completion.

6.2 Moorfoot Primary School Refurbishment:

The brief for the project has been developed in consultation with the various stakeholders including the school and Parent Council. The decant strategy for the project involves use of the former Sacred Heart PS decant facility and temporary relocation of the existing Nursery Class in modular accommodation within the existing school grounds during the construction period and this arrangement has been in place since the February mid-term holiday period. Early works were taken forward (asbestos

removal / site establishment etc.) in March. The procurement of the main contract has been progressed through hub West Scotland with the project having now achieved financial close within budget. Planning and Building Warrant approvals are in place with work commenced on site in April 2017 to complete March 2018. The Client Services Team will continue to liaise with the school and Parent Council throughout the construction phase.

7.0 PROJECTS AT BRIEFING/DESIGN/PRE-CONSTRUCTION STAGE

7.1 Lady Alice Primary School Refurbishment:

The brief for the project has been developed in consultation with the various stakeholders including the school and Parent Council. The decant strategy for the project involves use of the former St. Stephen's HS decant facility and temporary relocation of the existing Nursery Class in modular accommodation within the existing school grounds during the construction period and this arrangement has been in place since the February mid-term holiday period. Early works were taken forward (disruptive asbestos survey) in March. The procurement of the main contract has been progressed to tender return stage with tender evaluation nearing completion. Tender returns are within budget. Planning approval is in place with Building Warrant approval imminent. Subject to formal legal acceptance it is anticipated that works will commence on site in June to complete May 2018. The Client Services Team will continue to liaise with the school and Parent Council throughout the construction phase.

7.2 St Ninian's Primary School New Build:

The brief for the project has been developed in consultation with the various stakeholders including the school and Parent Council. The strategy for the project involves construction of a new facility on the disused blaes pitch area opposite the recently constructed multi-use games area with the school remaining in its existing accommodation during the construction phase. The procurement of the main contract is being progressed through hub West Scotland with the project now nearing financial close which is anticipated to be on 30th May and within budget. Planning approval is anticipated to be granted by the end of week commencing 22nd May following resolution of the final outstanding statutory consultee approval by SEPA which has involved significant hydrology works including modelling and extensive survey of existing culverts in the surrounding area of the proposed development site. Staged Building Warrant approvals are in place with work anticipated to commence on site at the start of June 2017 to complete June 2018. The demolition of the existing St Ninian's building will follow the transfer to the new facility in summer 2018 and is expected to be complete by Autumn 2018. The Client Services Team will continue to liaise with the school and Parent Council throughout the construction phase.

7.3 Glenbrae Children's Centre Relocation (Aberfoyle Road Refurbishment):

The brief for the above project has been developed in consultation with the centre and Early Years Service. The Council's Technical Services Team have progressed the detail design to tender preparation stage and are working towards tender issue. Planning approval is in place with formal Building warrant submission made. The commencement of the project is linked to completion of the former District Court Offices project and the relocation of Technical/Property Services from the Aberfoyle Road building which is now projected to be early July. The target programme for the project anticipates construction start in August 2017 and completion in 1st quarter 2018. The Centre will remain in its current location during the construction phase.

7.4 New Build West End of Greenock Early Years Facility:

The brief for the above project has been developed in consultation with the Centre and Early Years Service. The proposals involve the provision of a new facility to replace the existing Kelly Street Children's Centre and Nursery within St Mary's PS. The procurement is being progressed through hub West Scotland with the project now progressing towards completion of market testing ahead of formal financial close.

Planning approval is in place with formal Building Warrant submission made. As previously reported, site surveys and investigation works were initially delayed due to the particular site constraints and the current process being followed in connection with the original demolition contractor. It should be noted that the original demolition contractor has recently returned to site and has carried out remediation works. The Council's Technical Services section are arranging a follow-on contract to remove the existing underbuilding and associated asbestos contamination ahead of the commencement of the main Early Years facility contract works. A detailed survey of the site boundary wall has concluded that the structures are in poor condition with limited life remaining. It is anticipated that the site abnormalities i.e. general poor ground conditions and works required to boundary walls will result in the affordability cap being exceeded. The revised estimated cost of the project is £3.355m subject to the completion of the market testing phase, an increase of £250K from previous estimates. It is proposed to reallocate funding from the overall SEMP budget to allow the project to proceed to financial close as outlined in 9.2 below. The current target programme anticipated construction start in July 2017 to complete by May 2018 to align with the decant strategy for the future St Mary's PS Refurbishment and Extension project

As outlined above the West End of Greenock Early Years project is currently progressing towards financial close subject to the conclusion of the market testing stage. The March 2017 Committee approved the arrangements to formally enter into an agreement with hub West Scotland for the project. The Committee is requested to approve the revised funding arrangements and affordability cap for the project as outlined in 9.2 below to allow the project to proceed.

7.5 St Mary's Primary School Refurbishment & Extension:

Proposals involve utilisation of the former Sacred Heart PS decant facility following completion of the Moorfoot PS project. The anticipated timeline for the project will involve decant of the main school at the start of 2018 Summer holiday period with construction work commencing thereafter and completion circa Summer 2019. The proposals for the Early Years Estate and the new West End of Greenock facility will allow the nursery within St Mary's Primary School to be relocated ahead of the main school decant. The Client Services Team has developed the initial brief in consultation with the Head Teacher and this has been issued to Technical Services to allow commencement of initial sketch designs. The Client Services Team has also commenced wider stakeholder engagement through attendance and presentation at the Parent Partnership meeting of 8th May.

7.6 Gourock Primary School Extension:

Proposals involve the provision of a gym/assembly hall extension and associated changing/toilets. The project will be taken forward with the school in-situ similar to the Inverkip Primary School Extension project. Early survey works are being programmed to establish the location of significant services in the area of the proposed extension. The anticipated timeline for the project will involve construction work commencing Easter/Summer 2018 and completion in Easter/Summer 2019. The Client Services Team have prepared the initial brief which has been issued to Technical Services. Engagement with the Head Teacher and wider stakeholders will continue throughout the design development stages.

8.0 DEVELOPMENT & IMPLEMENTATION OF 1140 HOURS OF EARLY LEARNING & CHILDCARE

8.1 As part of the Scottish Government's commitment to increase entitlement to early learning and childcare there is a requirement to submit a business case to the Scottish Government by September 2017 addressing a plan for development and implementation that will see the required capacity in place by 2020. A strategic group has been formed to oversee this work stream which includes sub-groups dealing with Infrastructure, Quality, and Workforce. An initial capital and revenue funding allocation

has been made for 2017/18 (£384K capital) and officers are currently scoping potential projects for delivery in the current financial year involving potential alterations / adaptations at St Francis Primary School and St Joseph's Primary School. A wider capacity study is underway which will potentially involve utilisation of other Council properties and/or new provision subject to site availability / detailed feasibility studies. It is anticipated that a full report will be submitted to next Committee on the proposals / business case.

9.0 IMPLICATIONS

Finance

- 9.1 The expenditure at 31st March 2017 is £8.904m from a budget of £7.543m. This is expenditure of 118.04% of the approved budget at the year end. No slippage is currently being reported with net accelerated spend of £1.361m. This position reflects the good progress made in 2016/17 on the major capital projects which were progressed largely to programme with accelerated spend on the Moorfoot project and on various projects through the capital programme lifecycle fund.
- 9.2 As noted in 7.4 above it is proposed to reallocate funding within the overall SEMP programme to address the revised estimated cost of the New Build West End of Greenock Early Years Facility. The main capital projects for the Moorfoot, Lady Alice and St Ninian's Primary School projects have now all progressed to a stage where tenders have been returned and all are within budget. There is scope to reallocate a proportion of the client retained contingency amounts for these projects to address the projected increase on the early years project. This approach still retains an element of contingency on all projects proportionate to the risks associated with the type of project / construction contract. The Committee is requested to note and approved the revised funding arrangements as below:

Project	Current Approved Budget £000	Revised Budget £000	Variance £000
Moorfoot PS Refurbishment	5,147	5,047	(100)
Lady Alice PS Refurbishment & Extension	3,806	3,756	(50)
St Ninian's PS New Build	9,280	9,180	(100)
West End of Greenock Early Years New Build	3,105	3,355	250
Total	21,338	21,338	-

- 9.3 The current budget position reflects the following:

- SEMP model approved by Committee in November 2016.
- Grant funding received in respect of implementation of the Children & Young People Bill and Free School Meals.
- Grant funding received in respect of project specific awards in connection with the Scotland's Schools for the Future programme.

The current budget is £49.707m, made up of £48.513m SEMP Supported Borrowing / Government Grant Funding and £1.194m Non-SEMP Supported Borrowing. The Current Projection is £49.707m.

9.4	Education & Communities	Approved Budget £000	Current Position £000	Overspend / (Underspend) £000
	Total School Estate	48,513	48,513	-
	Total Non School Estate	1,194	1,194	-
	Total	49,707	49,707	-

9.5 Please refer to the status reports for each project contained in Appendix 1.

Legal

9.6 There are no legal issues.

Human Resources

9.7 There are no human resources issues.

Equalities

9.8 Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required. See below.

Individual projects consider DDA issues as part of the development of the detailed designs and Building Standards approval (where required). There are no equalities issues.

Repopulation

9.9 The regeneration works outlined in this report should contribute to retaining and increasing the population within the area. There are no repopulation issues.

10.0 CONSULTATION

10.1 There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, HR and Communications has not been consulted.

10.2 There are no legal issues arising from the content of this report and as such the Head of Legal and Property Services has not been consulted.

11.0 LIST OF BACKGROUND PAPERS

11.1 Education Capital Programme Technical Progress Reports May 2017. (A technical progress report is a project specific report which details the financial and progress position for current projects which have a legal commitment).

EDUCATION CAPITAL REPORT APPENDIX 1

COMMITTEE: EDUCATION & COMMUNITIES



Project Name	1	2	3	4	5	6	7	8	9	10	11
	<u>Est Total Cost</u>	<u>Actual to 31/3/16</u>	<u>Approved Budget 2016/17</u>	<u>Revised Est 2016/17</u>	<u>Actual to 31/03/17</u>	<u>Est 2017/18</u>	<u>Est 2018/19</u>	<u>Future Years</u>	<u>Start Date</u>	<u>Original Completion Date</u>	<u>Current Completion Date</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>			
SEMP Projects											
Demolish St Stephens HS	500	500	0	0	0	0	0	0	May-18	-	Aug-18
St Patrick's PS - New Build	7,012	3,076	3,536	3,912	3,912	24	0	0	Aug-15	-	Nov-16
Kilmacolm PS - Refurbishment	4,478	1,576	2,394	2,884	2,884	18	0	0	Oct-15	-	Oct-16
Early Years Establishments - Care Commission Works	92	2	88	90	90	0	0	0	Apr-16	-	Mar-17
Bluebird Family Centre - Refurbishment	1,300	0	369	187	187	1,003	110	0	Jan-17	Jul-17	Aug-17
Greenock West Early Years Facility - New Build	3,105	0	150	89	89	1,476	1,400	140	-	-	-
Glenbrae Children's Centre - Aberfoyle Rd Refurbishment	1,137	0	100	32	32	725	380	0	-	-	-
Hillend Children's Centre - Refurbishment	1,031	0	0	0	0	96	700	235	-	-	-
Larkfield Children's Centre - Upgrade	350	0	0	0	0	0	0	350	-	-	-
Free School Meals Capital Grant	60	33	0	0	0	0	27	0	Apr-16	-	Mar-18
Lifecycle Fund	3,490	714	256	400	400	949	1,427	0	Apr-14	-	Mar-19
Balance of Contingency	150	0	50	0	0	50	100	0	-	-	-
Moorfoot PS Refurbishment	5,147	0	100	312	312	2,102	2,610	123	Apr-17	-	Mar-18
Lady Alice PS - Refurbishment	3,806	0	200	221	221	1,908	1,677	0	-	-	-
St Ninian's PS - New Build	9,280	0	176	232	232	4,679	4,261	108	-	-	-
Gourock PS - Extension	1,704	0	0	0	0	126	1,297	281	-	-	-
St Mary's PS - Refurbishment & Extension	5,291	0	0	0	0	150	3,224	1,917	-	-	-
Complete on site	945	0	0	379	379	0	566	0	-	-	-
TOTAL SEMP	48,878	5,901	7,419	8,738	8,738	13,306	17,779	3,154			
Non-SEMP Projects											
MUGA/Blaes Pitch Upgrades Complete on site	27	0	27	3	3	24	0	0	-	-	-
Primary School MUGA's - Various	802	605	97	163	163	34	0	0	Apr-14	-	Jun-16
TOTAL non-SEMP	829	605	124	166	166	58	0	0			
TOTAL ALL PROJECTS	49,707	6,506	7,543	8,904	8,904	13,364	17,779	3,154			

ITEMS REQUIRING SPECIFIC APPROVAL IN TERMS OF THE COUNCIL'S FINANCIAL REGULATIONS**VARIATIONS IN THE CONTRACT RESULTING IN THE APPROVED COST BEING EXCEEDED****1. Miscellaneous minor variations relating to existing building/structure**

A number of issues were encountered during the comprehensive refurbishment of the building which have been summarised as follows: Remedial works to existing water tower structure; Repair & remedial works to existing lightning conductor installation; Remedial works to existing roof and rainwater installations; minor repairs to existing concrete thresholds.

£ 20,589

2. Playground resurfacing and underground drainage repairs / replacement

Essential repairs to existing underground drainage installations and substantial playground resurfacing has previously been approved and reported to the September 2016 Committee.

£ 164,988

3. Installation of valves in existing incoming water main

As part of the contract works to alter the incoming water supply for the new sprinkler installations, and following excavations, the existing installation was upgraded to address current best practice / guidelines via installation of non-return valves.

£ 15,099

SUB-TOTAL

£ 200,676

Omit previously approved lifecycle funding to address playground / drainage works

-£ 165,000

Professional Fees & Direct Costs

£ 7,555

TOTAL INCREASE IN PROJECT WORKS

£ 43,231