

**Report To:** Inverclyde Integration Joint Board    **Date:** 7 November 2017

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Partnership (HSCP)    **Report No:** IJB/64/2017/SMcA

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**Subject:** Residential Children's Unit – Neil Street and Crosshill  
Replacement

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## **1.0 PURPOSE**

1.1 The purpose of the report is to update the Integration Joint Board in respect of the status of the project for the replacement of the Neil Street Children's Unit and Crosshill Children's Unit.

## **2.0 SUMMARY**

2.1 This report advises the Integration Joint Board of the revised cost estimate for the project based on the developing design, and value engineering exercise undertaken to allow the project to be progressed. It also summarises the proposed expenditure and funding arrangements.

2.2 The original completion date for the Neil Street replacement at Cardross Crescent was March 2017; this is now estimated to be December 2017. This delay will impact on the second phase of the project relating to the decant of Crosshill to Neil Street and subsequent demolition and new build at the Crosshill site.

## **3.0 RECOMMENDATIONS**

3.1 That the Integration Joint Board notes and approves the proposed additional expenditure on the Crosshill Children's Unit replacement project.

3.2 That the Integration Joint Board approves the utilisation of the overall Residential School Earmarked Reserve to address the over expenditure.

**Louise Long**  
Corporate Director, Inverclyde Health and Social Care Partnership

## 4.0 BACKGROUND

4.1 The Community Health and Care Partnership Sub-Committee of April 2014 approved the progression and finance proposals in respect of the re-provision of Inverclyde's Children's Residential Services. The agreed re-provisioning programme included two phases:

Phase 1 – New build replacement for Neil Street Unit on the former King's Glen School site. This is currently under construction.

Phase 2 – Demolition of existing unit and new build replacement for Crosshill Unit on the same site utilising the Neil Street building as decant accommodation following completion of Phase 1.

4.2 The design of Phase 2 is in progress and has reached Stage 2: Concept Design Stage. Public consultation has taken place and there are no objections to the proposals. The formal Planning application has now been submitted and the design is progressing towards Building Warrant application stage.

4.3 The Design Team has prepared an estimated cost for the scheme which indicates that the probable cost is in excess of the current approved budget. The budgets were based on the tender cost of Kylemore Children's Unit and, like the Neil Street replacement, there are requirements in excess of that required at Kylemore:

- An extensive drainage and attenuation system was introduced through consultation on the design with Scottish Water, Planning and Building Standards.
- Abnormal Foundations - Following detailed ground investigation , piling with raft foundation was deemed necessary rather than strip foundations with beam and block flooring.
- Since the construction of Kylemore, the fire safety regulations have changed and a more extensive sprinkler system is required.
- The overall site is larger and requires more extensive landscaping. There are some abnormal with a rear sloping site which have to be addressed.

4.4 Progress on the Neil Street Children's Unit replacement is as follows:

- Building external fabric complete.
- Road infrastructure and water supply works in progress. Delay in connecting the water supply due to Scottish Water issues regarding previous meter connection to the now demolished school. This issue is being vigorously pursued by the design team to avoid impact to the critical path of the programme.
- External works are in progress with road formation underway and soft landscaping to follow (progress impacted by poor ground conditions).
- Contractor has intimated slippage to programme and has formally submitted an extension of time which is currently being evaluated.
- The Integration Joint Board is requested to note that additional funding may be required in connection with the extended contract period, however this will be subject to resolution of the current extension of time claim and agreement of the final account.
- Original programme completion date 31 March 2017. The estimated completion is end of October 2017 with entry in December 2017.

## 5.0 PHASE 2 - CROSSHILL REPLACEMENT

### 5.1 Progress on Crosshill

The Stage 2: Concept Design Stage requires an estimated cost based on the concept design. This has confirmed a cost in excess of the available budget.

During the development of the design a number of areas required to be addressed connected with the specific site conditions and topography as outlined in 4.3 above. These “abnormal” costs can be summarised as below:

Item Description	Cost (000)
Attenuation and Drainage system	£77,000
Additional substructure works due to the ground conditions	£80,000
Additional sprinkler system	£25,000
Additional landscaping costs	£60,000
<b>Total</b>	<b>£242,000</b>

5.2 A value engineering exercise was carried out which included revisiting provisional items and measuring where possible to refine the allowances. The pre-value engineering cost estimate prepared at stage 2 was £2.034m. The current cost estimate post value engineering is outlined in the table below.

5.3 The table below summarises the original approved budget (based on Kylemore), contract value of Neil Street replacement (Phase 1), and the value engineered position for Crosshill (Phase 2):

	Current Phase 2 Approved Budget (Crosshill)	Phase 1 Contract Sum (Cardross)	Phase 2 Indicative Cost Post VE (Crosshill)
Works	1,460,370	1,645,999	1,669,000
Professional fees	146,037	181,060	166,900
Surveys	34,980	33,000	35,000
Statutory Approval Costs	7,613	16,000	10,000
Land Acquisition		85,000	
Client costs (loose FF&E)	33,000	30,000	33,000
<b>Total</b>	<b>1,682,000</b>	<b>1,991, 059</b>	<b>1,913,900</b>

From the above table the current funding gap is identified as £231,900 (£232K).

## 6.0 IMPLICATIONS

### Finance

6.1 The approved budget for the Crosshill Replacement project is £1.682M. The estimated cost at Stage 2: Concept Design stage amounted to £1.914M. The estimated cost is therefore

£232K or 14% more than the approved budget.

- 6.1.1 It is proposed to address the funding gap by allocation of additional funding from the overall Residential School Earmarked Reserve. The unallocated balance on the Earmarked Reserve as at 1.4.17 is estimated to be £925k and the sum sought represents 25% of this balance.
- 6.1.2 The project is being progressed through the design stages towards tender issue stage.
- 6.1.3 The tables below outline the estimated cost implications and proposed funding allocation.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Earmarked Reserve	Residential School	2017/18	£232,000	n/a	

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

**Legal**

- 6.2 The Head of Legal and Property Services has been consulted.

**Human Resources**

- 6.3 There are no human resources issues within this report.

**Equalities**

- 6.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
✓	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.

- 6.4.1 How does this report address our Equality Outcomes.
  - 6.4.1.1 People, including individuals from the above protected characteristic groups, can access HSCP services.
  - 6.4.1.2 Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.
  - 6.4.1.3 People with protected characteristics feel safe within their communities.

- 6.4.1.4 People with protected characteristics feel included in the planning and developing of services.
- 6.4.1.5 HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.
- 6.4.1.6 Opportunities to support Learning Disability service users experiencing gender based violence are maximised.
- 6.4.1.7 Positive attitudes towards the resettled refugee community in Inverclyde are promoted.

### **CLINICAL OR CARE GOVERNANCE IMPLICATIONS**

6.5 There are no governance issues within this report.

### **6.6 NATIONAL WELLBEING OUTCOMES**

How does this report support delivery of the National Wellbeing Outcomes.

- 6.6.1 People are able to look after and improve their own health and wellbeing and live in good health for longer.
- 6.6.2 People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
- 6.6.3 People who use health and social care services have positive experiences of those services, and have their dignity respected.
- 6.6.4 Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
- 6.6.5 Health and social care services contribute to reducing health inequalities.
- 6.6.6 People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.
- 6.6.7 People using health and social care services are safe from harm.
- 6.6.8 People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.

### **7.0 CONSULTATION**

7.1 N/A.

### **8.0 LIST OF BACKGROUND PAPERS**

8.1 N/A.