
Report To: Education & Communities Committee **Date:** 13 March 2018

Report By: Corporate Director Education, Communities & Organisational Development and Chief Financial Officer **Report No:** EDUCOM/12/18/MM

Contact Officer: Martin McNab **Contact No:** 714246

Subject: Communities Capital Programme 2017 - 2020 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 Communities 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 Communities Capital Programme.
- 2.2 Overall the Committee is projecting to contain the costs of the 2017-2020 Capital Programme within available budgets.
- 2.3 Appendix 1 contains details of the projected spend and cashflow for the Capital Programme over the 2 years of the current programme together with a projected allocation for future years.
- 2.4 Expenditure at 31st January is 44.18% of the 2017/18 approved budget (68.44% of the revised projection). Slippage of £1,228m (35.05%) is projected. This is a movement of £601K (17.15%) from the net slippage reported to the last Committee and is linked to the inability to progress the Birkmyre Pitch Improvements project in the current year and revised projections for both the Watt Complex Refurbishment project and Scheme of Assistance budget lines reflecting revised anticipated expenditure to the year end.

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the progress with the specific projects as detailed in Appendix 1.
- 3.2 That the Committee notes the reduction in the projected cost for the Watt Complex Refurbishment project and that the budget reduction will be returned to the overall capital programme.
- 3.3 That the Committee notes and approves the additional expenditure on the Inverkip Community Hub project and utilisation of budgets as outlined in para 11.1.

Martin McNab
Acting Head of Safer &
Inclusive Communities.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 This report shows the current position of the approved Communities Capital Programme.

5.0 HOUSING SCHEME OF ASSISTANCE (SOA)

5.1 The Scheme of Assistance provides statutory housing assistance for the improvement and repair of private sector housing within Inverclyde. There is a 3-strand approach to delivery, namely Advice & Information, Practical Assistance and Financial Assistance. In order to meet the objectives of the Local Housing Strategy, repairs and improvements for the following areas are given priority – work to meet needs of disabled persons, houses which fail the tolerable standard, tackling fuel poverty, replacement of lead drinking water pipes and communal Scottish Housing Quality Standard works. Funding for the SOA in the period 2017 to 2020 is £3.907m. Detail on the current position regarding the scheme of assistance is attached at Appendix 3. There has been a slippage of £175K from 2017-18 into future years. The Scheme of Assistance is a demand led budget and therefore is difficult to project accurately until near to the year end.

6.0 WATT COMPLEX REFURBISHMENT

6.1 The current funding is being prioritised to address essential repairs to the external envelope, ensuring that the building is wind, watertight and safe. As previously reported to Committee, the following advance / preparatory works have been carried out and completed to date:

- Advance contract for dry rot works was carried out and completed in 2016.
- Emergency works to stonework addressing priority pinnacles and towers.
- Phase 1 priority stone repair works.
- Renewal of existing fire and intruder alarm installations funded from the Core Property Services allocation (Fire Risk / Statutory Compliance budgets) as reported to the Environment & Regeneration Committee.
- Racking and temporary artefact protection measures.
- Exhibit removal/relocation including storage of fine art works and removal of wet specimens.

Work on the main contract commenced on site in November 2017 to complete by August 2018. Full scaffolding has now been erected with stone surveys completed. Roofing work is progressing with slates stripped and roof sealed for slating to commence. Windows are progressing well with leaded glass and casements being removed and repaired in specialist workshops and with preparation underway for re-fitting. Off site design and preparation work in connection with the new museum rooflight and lift is also underway. Work is also commencing on doors and leadwork.

Previous reports to Committee have noted that a more detailed update on the overall funding position would be provided following the confirmed grant funding position from Historic Environment Scotland (HES). At the time of preparing this report Officers have email confirmation from HES of £243,451 with the possibility of a further £13,250. It should be noted that these amounts are based on the current scope of grant eligible items and should the required works in these areas decrease then the grant will decrease correspondingly. The Committee is requested to note however that the overall projected costs for the project have reduced as a result of the returned tender position and the projected grant support. It is proposed that the overall project allocation be reduced by £150K and that the projected underspend will be returned to the overall capital programme.

7.0 WOODHALL COMMUNITY FACILITY

7.1 Road calming and wider road safety works together with CCTV provision to discourage and detect fly tipping in the Woodhall area have now been carried out. The Committee is requested to note and approve the use of the projected underspend on this project to assist with the over expenditure noted in 11.1 below.

8.0 NEW COMMUNITY FACILITY BROOMHILL

8.1 IAMH is now occupying the building and by the time of this Committee the official opening should have taken place. The remaining spend against this budget should be completed as per the budget profile.

9.0 BIRKMYRE PARK PITCH IMPROVEMENTS

9.1 The current budget for Birkmyre Park pitch improvements is £350k. The estimated cost of the works based on the last tender exercise is £414K which includes a £50k contribution from St Columba's School. A capital funded from current revenue (CFCR) contribution of £14K virement was approved at the September 2017 Committee. Formal planning approval has been granted and the legal agreements concerning access through neighbouring land in connection with the works have been concluded. As previously reported to Committee, the tender acceptance period has expired and negotiations with St Columba's School are currently ongoing. Tenders have now been re-issued with a view to a site start in Spring and subject to the conclusion of the ongoing negotiations with St Columba's School and confirmed funding support.

10.0 CCTV RENEWAL

10.1 The provision of £321K in the Capital Programme had previously been moved to 2017/18 for renewal of the Public Space CCTV infrastructure. As previously reported to Committee, given the budget timetable, spend on this project will be delayed until 2018/19 and will be subject to budget decisions. The capital spend on CCTV will be less than the original £321K estimate. This is covered in a separate report to this Committee.

11.0 INVERKIP COMMUNITY HUB

11.1 The project completed on site in December 2016 with the building now operational. The Committee is requested to note that the final account for the project has now been agreed with the Contractor. The project is reporting an over expenditure of £57K or 2.64% of the original approved budget. The costs are mainly associated with an extended contract period in connection with additional works related to Scottish Water main and sewer connections. Additional costs were also incurred in connection with land acquisition. These amounts have not been able to be fully contained within the contract contingency and provisional sum allowances (refer Appendix 2).

Budget heading	Original Approved / Remaining Budget £000	Revised Budget £000	Variance £000
Inverkip Community Hub	2,161	2,218	+57
Woodhall Community Facility #1	24	3	-21
Non-SEMP Multi-Use Games	50	14	-36

Areas (Part) #2			
Total	2,235	2,235	-

#1 – Works now complete with £21K projected underspend.

#2 – Works now complete with £50K overall projected underspend. Majority of this will be returned to the SEMP programme contingency with £36K allocated to address Inverkip Community Hub over expenditure.

12.0 IMPLICATIONS

Finance

12.1 The expenditure at 31st January 2018 is £1.548m compared to an approved budget of £3.504m. This is expenditure of 44.18% of the approved budget after 83.33% of the year. The Committee is projecting to spend £2.276m with net slippage of £1,228m (35.05%) being reported.

Slippage of £627K (17.89%) has previously been reported on the Watt Complex project (£306K – 8.73%) and the CCTV renewal project (£321K – 9.16%).

Further slippage of £601K (17.15%) is now being reported reflecting the following:

- the inability to progress the Birkmyre Park Pitch Improvements project (£246K – 7.02%)
- a review of the actual expenditure against progress on site for the Watt Complex Refurbishment project (£180K – 5.14%).
- Reduced projection for Scheme of Assistance expenditure (£175K – 4.99%).

12.2 The current budget of £9.898m is made up of £3,907K for Housing / Scheme of Assistance (SOA), £1m for Clune Park and £4,991 for Cultural & Sports projects. The Current Projection is £9.898m.

12.3	Education & Communities	Approved Budget £000	Current Position £000	Overspend / (Underspend) £000	Comments
	Total Housing	4,907	4,907	-	
	Total Cultural & Sports	4,991	4,841	(150)	Refer 6.1 and 3.2.
	Total	9,898	9,748	(150)	

Legal

12.4 There are no legal issues.

Human Resources

12.5 There are no human resources issues.

Equalities

12.6 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

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

13.0 CONSULTATION

- 13.1 The report has been jointly prepared by the Corporate Director Education, Communities & Organisational Development and the Chief Finance Officer.
- 13.2 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.
- 13.3 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.

14.0 LIST OF BACKGROUND PAPERS

- 14.1 Communities Capital Programme Technical Progress Reports February 2018. (A technical progress report is a project specific report which details the financial and progress position for current projects which have a legal commitment).

COMMUNITIES CAPITAL REPORT

Appendix 1

COMMITTEE: EDUCATION & COMMUNITIES

1	2	3	4	5	6	7	8	9	10	11	Status
Est.Total Cost	Actual to 31/3/17	Approved Budget 2017/18	Revised Est 2017/18	Actual to 31/01/18	Est.2018/19	Est.2019/20	Future Years	Start Date	Original Completion Date	Current Completion Date	
£000	£000	£000	£000	£000	£000	£000					
Housing											
1,000	0	0	0	0	0	1,000	0				
3,907	850	889	714	516	750	900	693				
4,907	850	889	714	516	750	1,900	693				
Cultural & Sports											
1,850	321	986	500	171	850	179	0				
24	0	24	24	3	0	0	0				
1,747	800	897	897	743	50	0	0				
414	13	262	16	16	360	25	0				
321	0	321	0	0	250	71	0				
80	0	70	70	58	10	0	0				
350	0	0	0	0	0	350	0				
55	0	55	55	41	0	0	0				
4,841	1,134	2,615	1,562	1,032	1,520	625	0				
Communities Total											
9,748	1,984	3,504	2,276	1,548	2,270	2,525	693				

INVERKIP COMMUNITY HUB

TECHNICAL PROGRESS REPORT: FEBRUARY 2018

ITEMS REQUIRING SPECIFIC APPROVAL IN TERMS OF THE COUNCIL'S FINANCIAL REGULATIONSVARIATIONS IN THE CONTRACT RESULTING IN THE APPROVED COST BEING EXCEEDED

1.	Additional costs resulting from Scottish Water water main and sewer connection	£	66,863
2.	Removal of asbestos water pipe discovered below ground	£	12,879
3.	External socket and transformer	£	943
4.	Fire alarm interface with client's sound system	£	1,649
5.	Roof access system	£	4,464
6.	Additional excavation and fill to pitch due to poor ground	£	14,589
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		£	101,387
7.	<u>Prolongation costs:</u> The above items resulted in a delay to the contract and an Extension of Time granted to the Contractor with associated Contractor's Loss on Expense / Overrun costs due to Scottish water mains connections	£	20,183
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		£	121,570
8.	Deduct: Contingencies included in contract	-£	65,000
9.	Deduct: Prime Cost & Provisional Sums	-£	13,370
10.	Deduct: Surveys and Disbursements	-£	97,224
11.	Surveys, disbursements and direct payments	£	74,967
12.	Additional land acquisition costs	£	35,776
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	TOTAL INCREASE IN PROJECT WORKS	£	56,719
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APPENDIX 3 SCHEME OF ASSISTANCE SUMMARY

COMMITTEE: EDUCATION & COMMUNITIES

	<u>Budget</u> 2017/18	<u>Revised Est</u> 2017/18	<u>Actual to</u> 31/01/18	<u>Projection</u> 2017/18	<u>(Under) /</u> <u>Over Budget</u>	<u>Percentage</u> <u>Over /</u> <u>(Under)</u>
	£000	£000	£000	£000	£000	£000
<u>Assistance To Support Independent Living</u>						
Care & Repair (including Small Repair Service)	195	195	141	195	0	0.0 %
Grant Assistance - Adaptions	694	519	341	519	(175)	(25.2)%
Total Scheme of Assistance	889	714	482	714	(175)	(19.7)%

Care and Repair	20	20	20	20	0	0.0 %
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Empty Homes	90	90	13	90	0	0.0 %
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