
Report To:	Education & Communities Committee	Date:	22 January 2019
Report By:	Corporate Director Education, Communities & Organisational Development and Chief Financial Officer	Report	EDUCOM/09/19/EM
Contact Officer:	Eddie Montgomery	Contact No:	01475 712472
Subject:	Education Capital Programme 2018 – 2021 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 January 2018 Committee and the Capital Programme approved in March 2018. The programme covers the period 2018/21.
- 2.3 Overall, the Committee is projecting to contain the costs of the 2018/21 Capital Programme within available budgets.
- 2.4 Expenditure at 26th November 2018 is 68.92% of the 2018/19 approved budget (74.73% of the revised projection). Net projected slippage of £816K (8.23%) is currently being reported predominantly in connection with the delays experienced in the procurement of the St Mary's PS Refurbishment and Extension, the Gourrock PS Extension and the Hillend Refurbishment projects which have been partially offset by minor acceleration across other budget lines. This is a slight increase of £33K (0.33%) from the net slippage reported to the last Committee.

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the progress on the specific projects detailed in Appendix 1.
- 3.2 That the Committee approves the following in respect of the Hillend Children's Centre Refurbishment project:
- the revised budget allocation and utilisation of the overall capital programme contingency / lifecycle fund allocation as outlined in Section 7.2.
 - issue of tenders for the project, and granting of delegated authority to the Head of Legal & Property Services to accept the most economically advantageous tender, provided the cost is within the revised budget allocation for the project.

- 3.3 That the Committee notes the over-expenditure on the Lady Alice Primary School Refurbishment and Extension project and the intention to submit a more detailed report to a future Committee as outlined in Section 5.4.

Ruth Binks
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 annual review of the School Estate Funding Model approved by the Committee at the meeting of 23rd January 2018 and the allocation of resources approved by the Inverclyde Council on 15th March 2018.
- 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 2021.

5.0 PROJECTS COMPLETE ON SITE / WITHIN DEFECTS LIABILITY PERIOD

5.1 Moorfoot Primary School Refurbishment:

The school transferred back to the refurbished building at the start of June 2018 with the first day of operation on 4th June. An official opening event took place on 25th September 2018. The final account for the project has yet to be agreed. The Client Services Team continues to work with the School in conjunction with hub West Scotland and the Contractor to address snagging and defects utilising out-of-hours working / holiday periods as required during the defects liability period.

5.2 Glenpark Early Learning Centre:

The Centre transferred to the new building at the end of June 2018 with the first day of operation on 26th June. An official opening event took place on 5th October 2018. The final account for the project has yet to be agreed. The Client Services Team continues to work with the Centre in conjunction with hub West Scotland and the Contractor to address snagging and defects utilising out-of-hours working / holiday periods as required during the defects liability period.

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

The Centre transferred to the refurbished building in July with the first day of operation on the 19th July. An official opening event took place on 6th December 2018. The final account for the project has yet to be agreed. The Client Services Team continues to work with the Centre in conjunction with the Design Team and the Contractor to address snagging and defects utilising out-of-hours working / holiday periods as required during the defects liability period.

5.4 Lady Alice Primary School Refurbishment:

The school transferred back to the refurbished and extended building in August 2018 with the first day of operation on Tuesday 21st August. An official opening event took place on 30th October 2018. Final account negotiations are ongoing with the main Contractor and, as previously reported to the September Committee, additional funding will be required to address projected over expenditure. The Committee is requested to note the current over expenditure of £241K and that a more detailed report on the final position will be brought back to a future Committee upon agreement of the final account for the project. The Committee is also requested to note that any over expenditure will be contained within the existing funding model resources. The Client Services Team continues to work with the Centre in conjunction with the Design Team

and the Contractor to address snagging and defects utilising out of hours working / holiday periods as required during the defects liability period.

5.5 St Ninian's Primary School New Build:

The school transferred to the new building in August 2018 first day of operation on Tuesday 21st August. The demolition of the existing school was completed in early November. An official opening event took place on 21st November 2018. The final account for the project has yet to be agreed but it is anticipated that this will be within budget allowing a sum to be released back into the overall capital programme contingency to assist with budget pressures as noted within item 5.4 above. The Client Services Team continues to work with the School in conjunction with hub West Scotland and the Contractor to address snagging and defects utilising out of hours working / holiday periods as required during the defects liability period.

6.0 PROJECTS ON SITE / UNDER CONSTRUCTION

6.1 Demolition of Former St Stephen's High School:

The Contractor took possession of the site on the 1st October to complete by mid-January 2019. Works in connection with the removal of the existing sub-station within the site and surrounding network alterations were completed in early November through Scottish Power Energy Networks. The Contractor has cleared the top half of the site and has substantially completed the demolition of the existing buildings. The Contractor is currently reporting that he is slightly behind programme with completion currently anticipated at the end of February. The Client Services and Technical Services team continue to monitor progress towards completion.

6.2 St Mary's Primary School Refurbishment & Extension:

The October 2017 Committee approved the revised scope and proposals for the St Mary's project. Decant arrangements for the project involve utilisation of the former Sacred Heart PS decant facility. The use of powers delegated to the Chief Executive to progress the acceptance of the most economically advantageous tender for the main project was reported to the October Committee. The Contractor took possession of the site in early November to commence mobilisation with a formal start date of 19th to complete in November 2019. The Contractor has commenced the internal stripping out and partial demolition works with scaffold erection ongoing to the perimeter of the existing building. Engagement with the Head Teacher and wider stakeholders will continue as the project is progressed through the construction stage.

6.3 Gourock Primary School Extension:

The September 2018 Committee approved the revised scope and proposals for the Gourock Primary School Extension project. The project will be taken forward with the school in-situ and with the use of temporary modular accommodation to allow access to areas of the building in phases to facilitate the works.

Temporary Modular Accommodation:

Tenders for the temporary modular accommodation element of the works were returned in early September with formal legal acceptance issued mid-October. Works commenced on 24th November and were completed mid-December 2018.

7.0 PROJECTS AT BRIEFING/DESIGN/PRE-CONSTRUCTION STAGE

7.1 Gourock Primary School - Main Extension / Alterations Contract:

Planning approval for the main project has been granted with formal Building Warrant submission made and first stage approval in place. Tenders were returned for the main extension contract on 16th November and evaluation completed over December. A formal legal acceptance was issued on 24th December with site start anticipated early in the new year.

7.2 Hillend Children's Centre Refurbishment:

Proposals involve the comprehensive refurbishment of the existing facility. The decant strategy for the project involves the temporary use of the former Glenbrae Children's Centre building during the construction phase. As previously reported, Technical Services have prepared an updated programme for the project based on current progress of the detailed design which indicates a construction phase in Spring 2019 to complete Winter 2019/20. A revised cost estimate was also prepared on the developing design which indicated that the estimated cost exceeded the available budget. The design proposals were revisited in conjunction with the Early Years Service and Client Services Team to address some areas of value engineering and a reduction in anticipated project cost. The revised estimate for the project is £1.266M with a current budget allocation of £1.031M. The Committee is requested to approve the progression of the current proposals and the reallocation of existing SEMP model funding as outlined below to address the projected budget gap. Permission is also sought to issue tenders including delegated authority to accept the most economically advantageous tender:

Budget line	Current Approved Budget £000	Revised Budget £000	Variance £000
Hillend Children's Centre Refurbishment	1,031	1,266	+235
Capital Programme Contingency #1	170	0	-170
Lifecycle Fund #2	6,592	6,527	-65
Total	7,793	7,793	-

#1 – A review of anticipated final account positions for the completed Bluebird Children's Centre and Glenbrae Children's Centre (Aberfoyle Road Refurbishment) projects is expected to release £170K back into the overall programme contingency.

#2 – The lifecycle fund allowances address elemental refurbishment / replacement works across the estate with the funding model allowances increasing year on year as the estate deteriorates over time. The allocation of this funding is subject to annual review prioritisation based on estate elemental condition. It is proposed that the £65K noted above be re-allocated from the 2019/20 allocation.

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

8.1 The Scottish Government has announced a plan to increase the entitlement of early learning and childcare from 600 hours to 1140 hours by 2020. The expansion requires substantial levels of investment in workforce and infrastructure which will be phased

from 2017/18 onwards to ensure that required capacity is in place by 2020. Inverclyde Council submitted its initial expansion plan to the Scottish Government on 29th September 2017 on how it intended to deliver this expansion and this was reported to the October 2017 Education & Communities Committee. As previously reported, a full reworking of the plan was undertaken with submission of a revised financial template in March 2018 and the revised plan was reported to the special Education & Communities Committee in June 2018. This report covers the infrastructure and capital funded elements of the expansion plan which are summarised in the sections below. As previously noted, further detail on the cost of individual projects will be provided as projects are progressed beyond feasibility to tender return stage.

- 8.2 The Scottish Government confirmed a total Capital grant of £5,980,000 to Inverclyde Council as part of the overall 1140 hours funding with the below yearly spend allocation. The expenditure profile based on the Council's delivery programme is reflected in Appendix 1. Any yearly over or underspends will be contained within the overall £5,980,000 funding allocation.

	<u>2017/18</u> <u>£000</u>	<u>2018/19</u> <u>£000</u>	<u>2019/20</u> <u>£000</u>	<u>2020/21</u> <u>£000</u>	<u>Total</u> <u>£000</u>
Amount Allocated	£380	£1,900	£2,200	£1,500	£5,980

8.3 Refurbishment Projects:

Blairmore Nursery – Works involved the alteration/adaptation of the former Early Years Language Centre within All Saints Primary School to accommodate 2-3 year old expansion at Blairmore. As previously reported, works were completed over the Easter 2018 holiday period with registration completed during summer and the expanded facility operational in August 2018.

St Joseph's Primary School – Works involve the alteration/adaptation of existing accommodation to provide a Nursery Class. Works originally commenced in 1st Quarter 2018 to complete by summer however delay has been experienced in connection with the external access ramp as previously reported. Internal works are complete with the ramp works progressing. It should be noted that the external works have been impacted by recent adverse weather. Building standards completion certification and care inspectorate registration were confirmed in late December. The facility will be operational as planned in January with staff occupying on 7th January and pupils on 9th January.

St Francis' Primary School - Works involve the alteration/adaptation of existing accommodation to provide a Nursery Class. Works originally commenced in 1st Quarter 2018 to complete by summer however delay has been experienced in connection with the external canopies as previously reported. All works are now complete with building standards completion certification and care inspectorate registration confirmed in late December. The facility will be operational as planned in January with staff occupying on 7th January and pupils on 9th January.

Craigmarloch School – The proposals involve the alterations/adaptation of existing accommodation to provide a Nursery Class. The Client Services Team and Early Years Service have now addressed the scope of the works and a formal brief is being prepared for issue. It is anticipated that works will be taken forward and completed during the summer 2019 holiday period to allow the planned operation in August 2019.

Gourock YAC – The proposals involve the alterations/adaptation of part existing accommodation within the building to provide an early years facility. This accommodation is currently used by Wellington Children's Centre which provides a registered out of school care service. The Client Services Team are working with the

Early Years Service to develop outline proposals which will allow further engagement with the building users and issue of a formal brief thereafter. Works will be taken forward and completed ahead of the planned operational date in August 2020.

8.4 **New Build Projects:**

Larkfield Children's Centre – The proposals involve the provision of a new build replacement for an expanded service at Larkfield Children's Centre which currently operates from a wing of the former Sacred Heart Primary School building scheduled to become surplus following the current use by St Mary's Primary School. The project is being progressed via hub West Scotland with the design process now progressing through hub stage 1 and with the necessary topographical, underground services, ecological and first phase ground investigation survey works now completed. The current programme is based on design and construction works being progressed to allow a planned operational date in August 2020 subject to completion of the St Mary's Primary School project.

Park Farm (Rainbow Family Centre) – The proposals involve the provision of a new build expansion which will operate in tandem with the existing Rainbow Family Centre. The project will involve the use of land around the existing Centre including that currently occupied by the existing Park Farm Community Centre building. The project is being progressed via hub West Scotland with the design process now progressing through hub stage 1 and with the necessary topographical, underground services, ecological and first phase ground investigation survey works now completed. Officers from the Client Services Team and Community Learning and Development Team have attended Community Council meetings to provide an update on proposals and to seek views on the scheme ahead of the formal planning approval process. The community have expressed a preference to retain the existing Multi-Use Games Area (MUGA) adjacent to the existing community centre building which will be demolished and this has been reflected in the developing design proposals. The current programme is based on design and construction works being progressed to allow a planned operational date in August 2020.

8.5 **Outdoor Projects:**

Blairmore Nursery – The proposals involve the provision of covered outdoor space in the form of a small covered play structure within the existing Nursery external play space. An outline brief for the works has been prepared and issued to the PPP FM provider. Officers from the Early Years Service are also engaging with the Care Inspectorate on the proposals ahead of formal issue of a change notice for the works. Works will be taken forward and completed ahead of the planned operational date in August 2019.

Binnie Street Children's Centre – The proposals involve the provision of additional WCs within the existing underbuilding accessed from the existing external play space. It is also proposed to provide covered outdoor space in the form of a timber based outdoor classroom structure. Listed building consent and building warrant are in place for the works within the existing building with a works order issued to the Council's Building Services Unit and site start programmed for early in the new year. Tender documents are being prepared for the external timber structure with a view to issue in the new year and progression to site as soon as possible thereafter.

Rainbow Family Centre - The proposals involve the provision of covered outdoor space in the form of a canopy structure and a small covered play structure within the existing external play space. The Council's Technical Services section is developing the design to tender stage including the necessary ground and drainage investigations affected by the proposed new canopy. Works will be taken forward and completed ahead of the planned operational date in August 2019.

Gibshill Children's Centre - The proposals involve the provision of additional WCs within a small extension accessed from the existing external play space. It is also proposed to provide covered outdoor space in the form of a small canopy structure and small covered play structure within the existing external play space. A brief for the works has been prepared and issued to the Council's Technical Services section to allow the design to be developed to tender stage. Works will be taken forward and completed ahead of the planned operational date in August 2019.

Kilmacolm Primary School – The proposals involve the expansion of the existing Nursery Class involving provision of a new outdoor teaching space incorporating WCs. It is anticipated that the building will be predominantly timber in construction and integrated with the existing Nursery outdoor teaching spaces in the school grounds. A brief for the works has been prepared and issued to the Council's Technical Services section with the necessary topographical, services and other surveys currently being procured to enable the design to be developed to tender stage. Works will be taken forward and completed ahead of the planned operational date in August 2019.

Wemyss Bay Primary School – The proposals involve the expansion of the existing Nursery Class involving provision of a new outdoor teaching space incorporating WCs. It is anticipated that the building will be predominantly timber in construction and integrated with the existing Nursery outdoor teaching spaces in the school grounds. A brief for the works has been prepared and issued to the Council's Technical Services section with the necessary topographical, services and other surveys currently being procured to enable the design to be developed to tender stage. Works will be taken forward and completed ahead of the planned operational date in August 2019.

9.0 IMPLICATIONS

Finance

- 9.1 The expenditure at 26th November 2018 is £6.831m from a budget of £9.912m. This is expenditure of 68.92% of the approved budget (75.10% of the revised projection) after 66.67% of the year.
- 9.2 The Committee is requested to note the net projected slippage of £816K (8.23%) predominantly in connection with the delays experienced in the procurement of the St Mary's PS Refurbishment and Extension, the Gourock PS Extension and the Hillend Refurbishment projects which have been partially offset by minor acceleration across other budget lines as outlined in Appendix 1.
- 9.3 The current budget position reflects the following:
- SEMP model approved by Committee in January 2018.
 - Grant funding received in respect of implementation of the Children and Young People Act and Free School Meals.
 - Capital allocation received in respect of Early Learning and Childcare (ELC) – 1140 Hours Expansion.

The current budget is £46.582m, made up of £46.557m SEMP Supported Borrowing / Government Grant Funding and £25K Non-SEMP Supported Borrowing. The Current Projection is £46.582m.

9.4	Education & Communities	Approved Budget £000	Current Position £000	Overspend / (Underspend) £000
	Total School Estate	46,557	46,557	-
	Total Non School Estate	25	25	-
	Total	46,582	46,582	-

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 December 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).

EDUCATION CAPITAL REPORT

COMMITTEE: EDUCATION & COMMUNITIES

Project Name	1	2	3	4	5	6	7	8	9	10	11
	Est Total Cost	Actual to 31/3/18	Approved Budget 2018/19	Revised Est 2018/19	Actual to 26/11/18	Est 2019/20	Est 2020/21	Future Years	Start Date	Original Completion Date	Current Completion Date
	£000	£000	£000	£000	£000	£000	£000	£000			
SEMP Projects											
Demolish St Stephens HS	500	500	0	0	0	0	0	0	Oct-18	Jan-19	Feb-19
Glenpark Early Learning Centre - New Build	3,355	2,700	515	627	627	28	0	0	Aug-17	May-18	Jun-18
Glenbrae Children's Centre - Aberfoyle Rd Refurbishment	1,047	485	602	557	434	5	0	0	Oct-17	May-18	Jul-18
Hillend Children's Centre - Refurbishment	1,031	7	379	57	8	917	50	0	-	-	-
Larkfield Children's Centre - Upgrade	100	100	0	0	0	0	0	0	-	-	-
Free School Meals Capital Grant	60	34	26	26	23	0	0	0	-	-	-
Lifecycle Fund	6,592	1,918	662	662	508	1,813	2,199	0	Apr-14	-	Mar-21
Balance of Contingency	170	0	12	0	0	170	0	0	-	-	-
Moorfoot PS Refurbishment	5,047	4,232	692	792	748	23	0	0	Apr-17	Apr-18	Jun-18
Lady Alice PS - Refurbishment	3,756	2,178	1,401	1,578	1,819	0	0	0	Jun-17	May-18	Aug-18
St Ninian's PS - New Build	9,180	6,433	2,639	2,639	2,427	108	0	0	Jun-17	Oct-18	Nov-18
Gourock PS - Extension	2,056	38	594	315	106	1,639	64	0	-	-	-
St Mary's PS - Refurbishment & Extension	6,591	324	1,891	1,444	77	4,692	131	0	Nov-18	-	Nov-19
Demolish Kelly Street CC	80	0	0	0	0	70	10	0	-	-	-
Demolish Sacred Heart PS	266	0	0	0	0	266	0	0	-	-	-
Complete on site	771	423	152	52	15	296	0	0	-	-	-
TOTAL SEMP	40,602	19,372	9,565	8,749	6,792	10,027	2,454	0			
Early Learning & Childcare Expansion (1140hrs) Projects											
Refurbishment - St Francis PS Nursery Class	187	93	82	82	2	12	0	0	Feb-18	Jun-18	Dec-18
Refurbishment - St Joseph's PS Nursery Class	215	83	100	100	4	32	0	0	Feb-18	Jun-18	Dec-18
Refurbishment - Blairmore Nursery Expansion	36	1	25	25	24	10	0	0	Apr-18	Apr-18	Apr-18
Refurbishment - Craigmarnoch/Gourock YAC	252	0	0	0	0	48	204	0	-	-	-
New Build - Larkfield CC/Park Farm (Rainbow FC)	4,650	0	80	80	9	1,726	2,794	50	-	-	-
Outdoor - Blairmore/Binnie St/Gibshill/Rainbow/Kilmacolm/Wemyss Bay	640	0	60	60	0	556	24	0	-	-	-
TOTAL ELC EXPANSION	5,980	177	347	347	39	2,384	3,022	50			
TOTAL ALL PROJECTS	46,582	19,549	9,912	9,096	6,831	12,411	5,476	50			