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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>7 May 2019</b>
<b>Report By:</b>	<b>Corporate Director Education, Communities &amp; Organisational Development and Chief Financial Officer</b>	<b>Report</b>	<b>EDUCOM/52/19/EM</b>
<b>Contact Officer:</b>	<b>Eddie Montgomery</b>	<b>Contact No:</b>	<b>01475 712472</b>
<b>Subject:</b>	<b>Education Capital Programme 2018 – 2021 Progress</b>		

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## **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 March 2019 Committee and the Capital Programme approved in March 2019. 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 The delivery of the programme of projects connected with the expansion of early learning and childcare is ongoing. In respect of the larger projects it will not be possible to achieve completion by August 2020 as outlined within section 8.4. There is ongoing dialogue between the consultants and the planning section on the Park Farm / Rainbow project in the hope that a satisfactory solution can be obtained.
- 2.5 Expenditure at 31<sup>st</sup> March 2019 is 86.82% of the 2018/19 approved budget (90.09% of the revised projection). Net slippage of £359K (3.62%) is currently being reported predominantly in connection with the delays experienced on 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 acceleration across other budget lines. This is a reduction of £719K (7.25%) 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.

**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 12<sup>th</sup> March 2019 and the allocation of resources approved by the Inverclyde Council on 21<sup>st</sup> March 2019.
- 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 10<sup>th</sup> 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 The following projects are all being monitored through their respective defects liability periods with work ongoing on agreement of the final accounts. The Client Services Team continues to work with the Schools/Centres in conjunction with hub West Scotland, Technical Services and Contractors to address snagging and defects utilising out-of-hours working / holiday periods as required.

Project/Establishment Name	Operational Date	End of Defect Liability Period
Moorfoot Primary School Refurbishment	4 <sup>th</sup> June 2018	May 2019
Glenpark Early Learning Centre New Build	26 <sup>th</sup> June 2018	June 2019
Glenbrae Children's Centre (Aberfoyle Road Conversion/Refurbishment)	19 <sup>th</sup> July 2018	July 2019
Lady Alice Primary School Refurbishment & Extension	21 <sup>st</sup> August 2018	August 2019
St Ninian's Primary School New Build	21 <sup>st</sup> August 2018	August 2019 Ph.1 November 2019 Ph.2

- 5.2 As previously reported to the January Committee, the projected over-expenditure on the Lady Alice project will be contained within the existing funding model resources and a more detailed report brought back to a future Committee upon agreement of the final account for the project. The current Appendix allocates £329K against future (2020/21) lifecycle provision pending agreement of the various final accounts for recently completed projects, some of which are anticipated to release funding back into the overall model contingency.

#### 6.0 PROJECTS ON SITE / UNDER CONSTRUCTION

##### 6.1 Demolition of Former St Stephen's High School:

The Contractor took possession of site on 1<sup>st</sup> October to originally complete by mid-January 2019. The demolition work has been completed with the final completion delayed in connection with the processing / crushing of demolition material for use in the River Clyde Homes development which has now commenced.

##### 6.2 St Mary's Primary School Refurbishment & Extension:

The Contractor took possession of the site in early November with a formal start date

of 19<sup>th</sup> to complete in November 2019. The Contractor has completed the internal soft strip of the existing building with internal wall lining framing works now substantially completed to most areas and new internal partitions commenced. The re-roofing has been substantially progressed and is projected to be complete by mid-April. The new extension has progressed with foundations and steel frame now completed. Removal and replacement of existing windows is ongoing and projected to be completed in May. First fix services installations are also progressing with new water tank installation ongoing. The existing building internal stairwell removal and replacement is currently ongoing and is the main critical path item for the project. This work and the previously advised additional internal structural works are impacting overall progress and the Contractor is currently reporting behind programme. 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 Gourock Primary School Extension project is being 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. As previously reported, the temporary modular accommodation works commenced in November and were completed mid-December 2018. The transfer of two classrooms and the administration/office areas was completed over the February mid-term holiday period. The main contract enabling works commenced on 11<sup>th</sup> February with formal start on 25<sup>th</sup> February to complete in December 2019. The Contractor has formed the new car park to allow use of the area as a compound during the construction works. The excavations for the foundations of the new extension have progressed however the pouring of foundations has been delayed due to a combination of difficult ground conditions and the presence of existing services in locations that differ from the utility provider record drawings. The Contractor is currently reporting delay due to the above and the design team are working to address the issues. Engagement with the Head Teacher and wider stakeholders will continue as the project is progressed through the construction stage.

## **7.0 PROJECTS AT BRIEFING/DESIGN/PRE-CONSTRUCTION STAGE**

### **7.1 Hillend Children's Centre Refurbishment:**

The January 2019 Committee approved the revised scope and proposals for the Hillend project. 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. The detail design is currently being progressed to allow preparation of tender documents. Planning approval has been received with building warrant application submitted. The Client Services Team continue to liaise with the Early Years Service and Centre staff on the planned decant ahead of the commencement of the project.

## **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 £5.98m 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 £5.98m 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

#### Completed Projects

<b>Project/Establishment Name</b>	<b>Work Completed</b>	<b>Operational</b>
Blairmore Nursery Expansion (2-3's)	April 2018	August 2018
St Joseph's Primary School Nursery Class (2-3's and 3-5's)	December 2018	January 2019
St Francis Primary School Nursery Class (2-3's and 3-5's)	December 2018	January 2019

#### Projects at Briefing/Design/Pre-Construction Stage

**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 scoped of the works with documents being prepared to allow pricing by the Council's Building Service Unit with works proposed to be taken forward and completed during the summer 2019 holiday period. The planned operational date is August 2020.

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

### 8.4 NEW BUILD PROJECTS:

#### Projects at Briefing/Design/Pre-Construction Stage

**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 progressed to hub stage 1. Initial dialogue with Planning has been undertaken ahead of the formal

Planning application which is imminent. The completion of hub stage 1 has been delayed due to the requirement to complete a value engineering exercise to address affordability of the initial proposals. The current programme as advised by hub will not achieve completion in time to allow operation by August 2020. The Committee is requested to note that the commencement of the works on site is also linked with the completion of the St Mary's Primary School project. The requirement to offer expanded capacity as of August 2020 could be temporarily met through use of the modular accommodation at the former Sacred Heart decant facility until such time as the new Larkfield building is operational.

**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 ongoing towards conclusion of hub stage 1. The completion of hub stage 1 has been delayed due to the requirement to complete a value engineering exercise to address affordability of the initial proposals. The Committee is requested to note that the delay is also connected with the ongoing discussions with the Planning Service who are not supportive of the current proposals. The Client Services Team and Design Team are currently further revising the proposals to allow a resubmission to Planning to allow approval in principle ahead of any formal submission. The current programme as advised by hub will not achieve completion in time to allow operation by August 2020 and conclusion of hub stage 1 will not be possible without an indication of support from Planning. The Client Services Team and Early Years Service are investigating options for temporary / interim arrangements to provide expanded capacity in the area until such time as the expanded provision / accommodation is available.

## 8.5 OUTDOOR PROJECTS:

### Completed Works

**Binnie Street Children's Centre** – Provision of additional WCs within the existing underbuilding accessed from the existing external play space. This work commenced in January 2019 through the Council's Building Services Unit and has now been completed.

### Projects at Briefing/Design/Pre-Construction Stage

The following projects involve the enhancement of existing external environments through provision of covered outdoor space / play structures and where necessary including additional WC provision:

**Blairmore Nursery** – Brief and drawings prepared and issued to PPP FM provider for pricing. Planned operational date August 2019.

**Binnie Street Children's Centre** – Tenders returned and evaluated for with acceptance issued. Pre-start meeting imminent with programme to be agreed to allow completion summer 2019. Currently operating at expanded capacity.

**Rainbow Family Centre** – Tenders returned for part of outdoor works, currently being evaluated. Tender documents being prepared for balance of works. Planned operational date August 2019.

**Gibshill Children's Centre** – Proposals being developed for the provision of additional WCs accessed from the existing external play space and external covered space / play structure. Technical Services section currently developing the detailed design to allow documents to be prepared and priced by the Council's Building Service

Unit with works proposed to be taken forward and completed during the summer 2019 holiday period. Planned operational date August 2019.

**Kilmacolm Primary School** – Tenders returned and evaluated with acceptance held pending approval of the proposals by the Care Inspectorate and with visit arranged for mid-April. Subject to approval and issue of formal acceptance, works will be taken forward largely over the summer holiday period. Advance services connection works were completed in early April 2019 ahead of the main project works. Planned operational date August 2019.

**Wemyss Bay Primary School** – Tenders returned and evaluated with acceptance held pending approval of the proposals by the Care Inspectorate and with visit arranged for mid-April. Subject to approval and issue of formal acceptance, works will be taken forward largely over the summer holiday period with some advance services connection works in April, Minor boundary fencing alteration works were completed in January 2019 ahead of the main project works. Planned operational date August 2019.

## 9.0 IMPLICATIONS

### Finance

9.1 The expenditure at 31<sup>st</sup> March 2019 is £8.606m from a budget of £9.912m. This is expenditure of 86.82% of the approved budget (90.09% of the revised projection) subject to the final year end accounting process and accruals.

9.2 The Committee is requested to note the net projected slippage of £359K (3.62%) 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 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 March 2019.
- 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.

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

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?

X

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. 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, Policy 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 April 2019. (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 &amp; 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 31/03/19	Est 2019/20	Est 2020/21	Future Years	Start Date	Original Completion Date	Current Completion Date
	£000	£000	£000	£000	£000	£000	£000	£000			
<b>SEMP Projects</b>											
Demolish St Stephens HS	500	500	0	0	0	0	0	0	Oct-18	Jan-19	Apr-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	457	444	105	0	0	Oct-17	May-18	Jul-18
Hillend Children's Centre - Refurbishment	1,266	7	379	47	31	1,162	50	0	-	-	-
Larkfield Children's Centre - Upgrade	100	100	0	0	0	0	0	0	-	-	-
Free School Meals Capital Grant	60	34	26	23	23	3	0	0	-	-	-
Lifecycle Fund	6,198	1,918	662	945	932	465	2,870	0	Apr-14	-	Mar-21
Balance of Contingency	0	0	12	0	0	0	0	0	-	-	-
Moorfoot PS Refurbishment	5,047	4,232	692	792	749	23	0	0	Apr-17	Apr-18	Jun-18
Lady Alice PS - Refurbishment	4,085	2,178	1,401	1,907	1,907	0	0	0	Jun-17	May-18	Aug-18
St Ninian's PS - New Build	9,180	6,433	2,639	2,500	2,469	247	0	0	Jun-17	Oct-18	Nov-18
Gourock PS - Extension	2,056	38	594	285	206	1,569	164	0	Feb-19	Dec-19	Dec-19
St Mary's PS - Refurbishment & Extension	6,591	324	1,891	1,493	897	4,543	231	0	Nov-18	Nov-19	Nov-19
Demolish Kelly Street CC	80	0	0	0	0	0	80	0	-	-	-
Demolish Sacred Heart PS	266	0	0	0	0	0	266	0	-	-	-
Complete on site	771	423	152	49	24	0	299	0	-	-	-
<b>TOTAL SEMP</b>	<b>40,602</b>	<b>19,372</b>	<b>9,565</b>	<b>9,125</b>	<b>8,309</b>	<b>8,145</b>	<b>3,960</b>	<b>0</b>			
<b>Early Learning &amp; Childcare Expansion (1140hrs) Projects</b>											
Refurbishment - St Francis PS Nursery Class	187	93	82	94	94	0	0	0	Feb-18	Jun-18	Dec-18
Refurbishment - St Joseph's PS Nursery Class	215	83	100	104	104	28	0	0	Feb-18	Jun-18	Dec-18
Refurbishment - Blairmore Nursery Expansion	36	1	25	23	23	12	0	0	Apr-18	Apr-18	Apr-18
Refurbishment - Craigmarloch/Gourock YAC - Balance	252	0	0	0	0	48	204	0	-	-	-
New Build - Larkfield CC/Park Farm (Rainbow FC)	4,650	0	80	147	34	1,659	2,794	50	-	-	-
Outdoor - Blairmore/Binnie St/Gibshill/Rainbow/Kilmacolm/Wemyss Bay	640	0	60	60	42	556	24	0	-	-	-
<b>TOTAL ELC EXPANSION</b>	<b>5,980</b>	<b>177</b>	<b>347</b>	<b>428</b>	<b>297</b>	<b>2,303</b>	<b>3,022</b>	<b>50</b>			
<b>TOTAL ALL PROJECTS</b>	<b>46,582</b>	<b>19,549</b>	<b>9,912</b>	<b>9,553</b>	<b>8,606</b>	<b>10,448</b>	<b>6,982</b>	<b>50</b>			