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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>3 September 2019</b>
<b>Report By:</b>	<b>Corporate Director Education, Communities &amp; Organisational Development and Chief Financial Officer</b>	<b>Report</b>	<b>EDUCOM/59/19/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 2019 – 2023 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 2019/23.

2.3 Overall, the Committee is projecting to contain the costs of the 2019/23 Capital Programme within available budgets.

2.4 Expenditure at 18<sup>th</sup> July 2019 is 16.5% of the 2019/20 approved budget (19.84% of the revised projection). Net slippage of £1.694m (16.82%) is currently being reported in connection with the pre-construction / design stage delays experienced on the Hillend Refurbishment project and the 1140Hrs projects at Larkfield and Park Farm (Rainbow) which have only partially been offset by projected acceleration of lifecycle expenditure.

## **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 current programme and all projects in 2020. The Education Capital Programme detailed in this report shows details of projects which will incur expenditure up to March 2023.

#### 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. It should be noted that a number of the projects below have passed the original end of defect liability period however remain to be formally concluded due to some outstanding works yet to be completed by the Contractor(s). 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.

<b>Project/Establishment Name</b>	<b>Operational Date</b>	<b>End of Defect Liability Period</b>
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

#### 6.0 PROJECTS ON SITE / UNDER CONSTRUCTION

##### 6.1 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 originally complete in November 2019. The Contractor has now substantially completed all of the internal demolition and structural alterations within the existing building. Good progress has been made on roofing to the existing building which is now complete with new windows also complete for the majority of areas. The Contractor is working from the top floor down completing internal linings, mechanical & electrical installations and decoration. The new extension has also progressed with main structure in place, roof sheeting completed and cladding work imminent. The existing building internal stairwell removal and replacement previously noted as the main critical path item for the project has progressed with new stairs currently being installed. This work and the previously advised additional internal structural works have impacting overall progress and the Contractor has sought and been awarded

extensions of time which have revised the projected completion date to the end of January 2020. Engagement with the Head Teacher and wider stakeholders will continue as the project is progressed through the construction stage.

## **6.2 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 Contractor experienced delay early in the contract due to ground conditions / existing utilities and there has been further delay associated with the delivery of the structural steel frame for the extension. The steel frame commenced mid-July and is now substantially completed with underbuilding works in progress. The planned replacement of all boiler and main plant room equipment over the summer period is progressing well and projected to complete for the new term in August. An extension of time request has been submitted by the Contractor which is currently being assessed however it should be noted that it is anticipated that the original completion date will not be achieved. A review of the programme and phasing is currently being undertaken to assess the overall impact of the delays above and any opportunities to mitigate some of this over the course of the remaining works. An update will be provided to the next Committee following completion of this review. 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 which addresses a 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 and Hillend are now operating from this location having completed the transfer in early July during the summer holiday period. Planning approval for the main project has been received with building warrant application submitted. Tender documents are currently being prepared with tender issue anticipated at the end of August with site start in late Autumn subject to tender return, evaluation and formal acceptance of contract. The Client Services Team continue to liaise with the Early Years Service and Centre staff ahead of commencement of the main project.

### **7.2 Former Kelly Street Children's Centre Demolition:**

A planning application is currently being progressed seeking permission to demolish the former Kelly Street Children's Centre which has been declared surplus and is in very poor condition. The application involves elements dealing with the demolition of the building which is within the local conservation area, removal of trees that have preservation orders, and proposals for outdoor space to be created for use by the adjacent St Mary's Primary School currently undergoing refurbishment and extension (6.1 above). The outcome of the application is awaited to allow progression of the necessary tenders for works.

## **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 29<sup>th</sup> 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 minor alterations/adaptation of existing accommodation to provide a Nursery Class. The Client Services Team and Early Years Service have scoped the works with documents prepared to allow pricing by the Council's Building Service Unit. Works are now proposed to be taken forward and completed during the Easter or Summer 2020 holiday period ahead of 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 proposals through engagement with the building users and the formal brief has been issued to Technical Services to allow the design to be progressed. Subject to progression of the design, it is anticipated that work could commence late 2019/early 2020 to complete by Spring 2020 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 being progressed through hub stage 2 towards market testing and financial close. The formal Planning application has now been submitted with first stage Building Warrant submission imminent. As previously reported, the current programme will not achieve completion in time to allow operation by August 2020 and 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 / extension which will operate in tandem with the existing Rainbow Family Centre. As previously reported, the project has experienced some delay in achieving approval in principle via Planning however this has now been addressed and the project has achieved completion of hub Stage 1 and commenced Stage 2 detail design. Formal Planning application and first stage Building Warrant submissions are imminent. As previously reported, the current programme will not achieve completion in time to allow operation by August 2020. The requirement to offer expanded capacity as of August 2020 could be met through temporary use of other accommodation within the Centre 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 were completed in March 2019. The outdoor space element commenced and completed in June 2019.

### Projects On Site/Under Construction

**Kilmacolm Primary School** – Advance services connection works were completed in early April 2019 ahead of the main project works. Main contract works commenced on site early July and are progressing well with completion anticipated by the end of August. Operational date will be subject to Building Standards completion certification and Care Inspectorate Registration.

**Wemyss Bay Primary School** – Advance services connection works were completed in early April 2019 ahead of the main project works. Main contract works commenced on site early July and are progressing well with completion anticipated by the end of August. Operational date will be subject to Building Standards completion certification and Care Inspectorate Registration.

**Blairmore Nursery** – The change notice was processed through the Public Private Partnership Facilities Management provider in July 2019. Work commenced in early August and is anticipated to be completed slightly behind the original programme.

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

**Rainbow Family Centre** – Tenders have been returned and accepted for all works. Part of the work involves building warrant submission by the main Contractor and this element has been delayed. The works are now anticipated to commence late August /

early September and be complete in October.

**Gibshill Children's Centre** – Tenders have been returned and accepted for all works. Part of the proposed works includes the provision of additional WCs accessed from the existing external play space via a small extension. This element required some re-design to address existing ground conditions. The works are now anticipated to commence in late August / early September and be complete in October.

## 9.0 IMPLICATIONS

### Finance

9.1 The expenditure at 18<sup>th</sup> July 2019 is £1.662m from a budget of £10.068m. This is expenditure of 16.5% of the approved budget (19.84% of the revised projection).

9.2 The Committee is requested to note the net projected slippage of £1.694m (16.82%) in connection with the delays experienced in the pre-construction / design stages of the Hillend Refurbishment project and the 1140Hrs projects at Larkfield and Park Farm (Rainbow) which have only been partially offset by projected acceleration of lifecycle expenditure 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 £26.986m from SEMP Supported Borrowing / Government Grant Funding. The Current Projection is £26.986m.

Education & Communities	Approved Budget £000	Current Position £000	Overspend / (Underspend) £000
Total School Estate	26,986	26,986	-
Total Non School Estate	0	0	-
<b>Total</b>	<b>26,986</b>	<b>26,986</b>	<b>-</b>

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

### Legal

9.6 There are no legal issues.

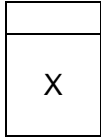
### Human Resources

9.7 There are no human resources issues.

### Equalities

9.8 Has an Equality Impact Assessment been carried out?

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 July 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 & COMMUNITIES

Project Name	1	2	3	4	5	6	7	8	9	10	11	12
	Est Total Cost	Actual to 31/3/19	Approved Budget 2019/20	Revised Est. 2019/20	Actual to 18/07/19	Est 2020/21	Est 2021/22	Est 2022/23	Future Years	Start Date	Original Completion Date	Current Completion Date
	£000	£000	£000	£000	£000	£000	£000	£000	£000			
<b>SEMP Projects</b>												
Hillend Children's Centre - Refurbishment	1,266	54	1,162	581	12	631	0	0	0	-	-	-
Lifecycle Fund	10,193	2,981	281	500	87	2,651	1,953	2,108	0	Apr-14	-	Mar-23
Gourock PS - Extension	2,056	311	1,581	1,581	106	164	0	0	0	Feb-19	Dec-19	Dec-19
St Mary's PS - Refurbishment & Extension	6,591	1,800	4,560	4,560	1,210	231	0	0	0	Nov-18	Nov-19	Jan-20
Demolish Kelly Street CC	80	0	0	4	4	76	0	0	0	-	-	-
Demolish Sacred Heart PS	266	0	0	0	0	266	0	0	0	-	-	-
Complete on site	554	0	257	257	3	297	0	0	0			
<b>TOTAL SEMP</b>	<b>21,006</b>	<b>5,146</b>	<b>7,841</b>	<b>7,483</b>	<b>1,422</b>	<b>4,316</b>	<b>1,953</b>	<b>2,108</b>	<b>0</b>			
<b>Early Learning &amp; Childcare Expansion (1140hrs) Projects</b>												
Refurbishment - Craigmarloch/Gourock YAC	252	0	0	48	0	204	0	0	0	-	-	-
New Build - Larkfield CC/Park Farm (Rainbow FC)	4,650	147	1,659	275	20	4,178	50	0	0	-	-	-
Outdoor - Blairmore/Binnie St/Gibshill/Rainbow/Kilmacolm/Wemyss Bay	640	74	542	542	220	24	0	0	0	-	-	-
ELC Complete on site	438	408	30	30	0	0	0	0	0			
<b>TOTAL ELC EXPANSION</b>	<b>5,980</b>	<b>629</b>	<b>2,231</b>	<b>895</b>	<b>240</b>	<b>4,406</b>	<b>50</b>	<b>0</b>	<b>0</b>			
<b>TOTAL ALL PROJECTS</b>	<b>26,986</b>	<b>5,775</b>	<b>10,072</b>	<b>8,378</b>	<b>1,662</b>	<b>8,722</b>	<b>2,003</b>	<b>2,108</b>	<b>0</b>			