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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>21 January 2020</b>
<b>Report By:</b>	<b>Corporate Director Education, Communities &amp; Organisational Development and Chief Financial Officer</b>	<b>Report</b>	<b>EDUCOM/08/20/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 5<sup>th</sup> December 2019 is 42.42% of the 2019/20 approved budget (54.25% of the revised projection). Net slippage of £2.115m (21.81%) is currently being reported in connection with the pre-construction / design / tender stage delays experienced on the Hillend Refurbishment project / 1140Hrs projects at Larkfield and Park Farm (Rainbow) and the construction stage delays on the Gourrock Primary School extension project 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.
- 3.2 That the Committee notes the allocation of lifecycle budget to address the revised cost estimate for the Former Kelly Street Children's Centre demolition and landscaping project outlined in section 7.2.

**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.

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
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. As previously reported to Committee the Contractor has been granted extensions of time resulting in a revised completion date at the end of January 2020 with some further delay intimated by the Contractor and as reported to the last Committee. Progress on the existing building continues with all external façade works complete and scaffolding removed. Internally the focus is on reinstating the finishes within the reconstructed stairwell / circulation spaces with the majority of teaching spaces at an advanced stage. Work is also ongoing within the ground floor forming the kitchen/dining space and installing underground drainage to tie-in to external. External works are progressing mainly in connection with underground drainage. The extension has progressed with internal finishes and services installations at an advanced stage. External cladding and screens will follow in the next period. The Contractors current programme is indicating a completion at the end of March 2020 with the further delay partly in connection with adverse weather and

difficult ground conditions experienced installing underground drainage/services. It is anticipated that the transfer will now be programmed to align with the Easter holiday period with exceptional closure days at the end of that period. Progress is being monitored closely as the project progresses on site. Engagement with the Head Teacher and wider stakeholders will continue as the project is progressed towards completion.

## **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 delivery of the structural steel frame for the extension. The extension has been progressed with structure complete and external fabric/envelope progressing, however adverse weather has impacted the ability to make the structure fully wind and weathertight which was hoped to be prior to the Christmas holiday period. It should be noted that the Design Team are also currently engaged with Scottish Water regarding a possible diversion of existing water main pipework identified in the earlier phases of the works. As previously advised, an extension of time request was submitted by the Contractor which has been partially awarded with the remainder subject to further assessment. The Contractor's current programme is targeting completion of the extension element by Easter 2020 and full completion of the final phases by the end of May 2020. 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 approval imminent. Tenders were returned at the end of November and are currently being evaluated. Site start will be subject to completion of the tender evaluation and formal acceptance of contract. The Committee is requested to note that additional funding may be required based on the current returned tenders and limited number that meet the evaluation criteria. 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:**

The Contractor has commenced the internal soft strip works with full demolition planned for early January. The detail design for the outdoor space is currently being progressed to allow tenders to be issued. The budget allocation for this project includes an allowance for the demolition and the follow-on landscaping works. A pre-tender cost check is being prepared on the landscaping scheme and is currently awaited. Given the nature of the site and some specific requirements via Planning to address sensitive boundary treatment, it is anticipated that some additional funding may be required to address the cost of the final scheme. The Committee is requested to note that any additional funding required is proposed to be allocated from the SEMP lifecycle allowances to allow the project to proceed and with a view to aligning completion as closely with the main St Mary's project as possible.

## 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 is being 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 annual spend allocation profile outlined in the table below. The actual expenditure profile based on the Council's delivery programme is reflected in Appendix 1. Any annual 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>
Blairmore Nursery Expansion (2-3s)	April 2018
St Joseph's Primary School Nursery Class (2-3s and 3-5s)	December 2018
St Francis Primary School Nursery Class (2-3s and 3-5s)	December 2018

### 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 will 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. The Client Services Team and early Years Service have developed proposals through engagement with the building users. Part of the building is currently used by Wellington Children's Centre which provides a registered out of school care service. The Care Inspectorate has now approved the temporary use of the former Gourock I-Youth zone property adjacent to Gamble Halls and part of the Gamble Halls as temporary decant

for the out of school care service during the works with a planned transfer ahead of the Christmas break. Survey works have been completed on the existing building with detail design progressing. Subject to completion of the design and obtaining building warrant it is anticipated that work could commence in January to complete by Spring 2020 ahead of the planned operational date in August 2020.

#### 8.4 NEW BUILD / EXTENSION 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 and market testing towards financial close. The initial market testing indicated issues with affordability and has required a further value engineering exercise to be undertaken. This process is on-going with final market testing position expected to be concluded early in the new year. The formal Planning application and first stage Building Warrant submissions have been made with formal responses awaited. 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. Subject to achieving financial close and the ability to commence works circa March 2020, a completion is projected in November/December 2020. The requirement to offer expanded capacity as of August 2020 is planned to be met temporarily through use of the modular accommodation at the former Sacred Heart decant facility until such time as the new Larkfield building is operational. The Care Inspectorate has approved this arrangement subject to formal application for registration and completion of minor works.

**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. The project is being progressed via hub West Scotland with the design process now being progressed through hub stage 2 and market testing towards financial close. The formal Planning application and first stage Building Warrant submissions have been made with formal responses awaited. The demolition of the existing Park Farm Community facility is planned for 1<sup>st</sup> Quarter 2020 with building warrant submitted and services disconnections being progressed. As previously reported, the current programme will not achieve completion in time to allow operation by August 2020 and it is intended to align completion and site programme with the Larkfield project above as far as is practicable. The requirement to offer expanded capacity as of August 2020 is planned to be met through temporary use of other accommodation within the Centre until such time as the expanded provision / accommodation is available. This Care Inspectorate has approved this arrangement with registration in place.

#### 8.5 OUTDOOR PROJECTS:

##### Completed Works

Project/Establishment Name	Work Completed
Binnie Street Children’s Centre	June 2019
Kilmacolm Primary School (Nursery Class)	September 2019
Wemyss Bay Primary School (Nursery Class)	September 2019
Blairmore Nursery	October 2019

**Rainbow Family Centre** – Works commenced mid-October to originally complete by the end of November. The external canopy was completed in November however the outdoor unit has been slightly delayed and is now expected to be complete prior to the Christmas holiday period.

**Gibshill Children’s Centre** – Works commenced in August with first phase involving outdoor unit which has been completed. The second phase works involves the provision of additional WCs accessed from the existing external play space via a small extension. Work commenced early October to originally complete by mid-November however works have been slightly delayed with completion now expected prior to the Christmas holiday period.

## 9.0 IMPLICATIONS

### Finance

9.1 The expenditure at 5<sup>th</sup> December 2019 is £4.114m from a budget of £9.698m. This is expenditure of 42.42% of the approved budget (54.25% of the revised projection) after 66.67% of the financial year.

9.2 The Committee is requested to note the net projected slippage of £2.115m (21.81%) in connection with the delays experienced in the pre-construction / design / tender stages of the Hillend Refurbishment project and the 1140Hrs projects at Larkfield and Park Farm (Rainbow); with construction stage delay impact on the Gourrock Primary School extension project 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>	-

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

### 9.6 Legal

There are no legal issues.

### 9.7 Human Resources

There are no human resources issues.

## 9.8 Equalities

(a) 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 substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

## 9.9 Repopulation

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 December 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 05/12/19	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 Lifecycle Fund	1,266	54	927	106	22	1,106	0	0	0	-	-	-
Gourock PS - Extension	10,193	2,981	381	500	359	2,651	1,953	2,108	0	Apr-14	-	Mar-23
St Mary's PS - Refurbishment & Extension	2,056	311	1,581	1,225	632	520	0	0	0	Feb-19	Dec-19	May-20
Demolish Kelly Street CC	6,591	1,800	4,560	4,560	2,535	231	0	0	0	Nov-18	Nov-19	Mar-20
Demolish Sacred Heart PS	80	0	0	40	7	40	0	0	0	-	-	-
Complete on site	266	0	0	0	0	266	0	0	0	-	-	-
	554	0	0	257	61	297	0	0	0			
<b>TOTAL SEMP</b>	<b>21,006</b>	<b>5,146</b>	<b>7,449</b>	<b>6,688</b>	<b>3,616</b>	<b>5,111</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	48	48	0	204	0	0	0	-	-	-
New Build - Larkfield CC/Park Farm (Rainbow FC)	4,650	147	1,659	275	51	4,178	50	0	0	-	-	-
Outdoor - Blairmore/Binnie St/Gibshill/Rainbow/Kilmacolm/Wemyss Bay	640	74	542	542	417	24	0	0	0	-	-	-
ELC Complete on site	438	408	0	30	30	0	0	0	0			
<b>TOTAL ELC EXPANSION</b>	<b>5,980</b>	<b>629</b>	<b>2,249</b>	<b>895</b>	<b>498</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>9,698</b>	<b>7,583</b>	<b>4,114</b>	<b>9,517</b>	<b>2,003</b>	<b>2,108</b>	<b>0</b>			