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**Report To:** Education & Lifelong Learning Committee      **Date:** 17 March 2009

**Report By:** Corporate Director Education & Social Care and Chief Financial Officer      **Report** EDUC/27/09/AG/EM

**Contact Officer:** Andrew Gerrard      **Contact No:** 01475 712484

**Subject:** Capital Programme 2008/11 - Progress

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## **1.0 PURPOSE**

- 1.1 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 Committee in respect of the progress and financial status of the projects within the overall Education Capital Programme.
- 2.2 The Capital Programme has been revised to reflect the new School Estate Strategy approved by the Committee and the full Council at their meetings of 18<sup>th</sup> June 2008. Adjustments have also been made to reflect the decisions of the Policy and Resources Executive Sub Committee on 25<sup>th</sup> June 2008.
- 2.3 Overall the Committee is projecting to contain the costs of the 2008/11 Capital Programme within available budgets.
- 2.4 Appendix 1 contains details of the projected spend and cashflow for the Capital Programme over the 3 years of the current programme.

## **3.0 RECOMMENDATION**

- 3.1 That the Committee note the progress on the specific projects detailed in Appendix 1.
- 3.2 That the Committee approve the cost increase on the Inverclyde Academy Road Improvement project as detailed in Appendix 2.

Ian Fraser  
Corporate Director  
Education & Social Care  
20<sup>th</sup> February 2009

Alan Puckrin  
Chief Financial Officer  
20<sup>th</sup> February 2009

## **4.0 BACKGROUND**

- 4.1 This report shows the current position of the approved Education Capital Programme reflecting the allocation of resources approved by the Committee and the Council at the special meetings on 18<sup>th</sup> June 2008. This allocation forms the basis of the School Estate Programme to completion.
- 4.2 The School Estate Strategy approved by the Committee gives a comprehensive programme which will enable the Council's entire school stock to be modernised. The programme runs for more than 12 years. The Education Capital Programme detailed in this report show details of projects which will incur expenditure up to March 2011

## **5.0 PPP SCHOOLS PROJECTS**

- 5.1 Although they do not form part of the Capital Programme the four PPP schools are a significant part of the School Estate Management Plan and it is appropriate to report on the progress of building works in this report.
- 5.2 All Saints' Primary School is progressing well and to programme, with the existing building demolished and foundations being constructed. Fencing Work has commenced as has work to the drop off car park.
- 5.3 Aileymill Primary School is progressing well and to programme, the sewer across the site has been diverted, piling work is complete and ground beams are being constructed. Steelwork is anticipated to commence early March.
- 5.4 Advance works have commenced at Notre Dame to relocate a Scottish Power substation, currently located within the School building. It is planned to decant the School from the Notre Dame building in the first week in June and for the contractor to take possession of the site at the beginning of July, slightly ahead of programme. The decant arrangements and refurbishment works to the former Wellington Academy building are on programme.
- 5.5 It is planned to decant St Columba's High School to the former Greenock High School building in the third week in June and for the contractor to take possession of the site at the beginning of July, in line with the programme. The decant arrangements and refurbishment works to the former Greenock High School Building are on programme.

## **7.0 FINANCIAL IMPLICATIONS**

- 7.1 The spend at 31st January 2009 is £14.536M, from an approved budget of £17.370M. This is expenditure of 84% of the budget after 83% of the year. The current estimated expenditure for 08/09 is £16,175M, 7% less than the original projection. This has been caused by re-phasing of projects.
- 7.2 The current budget is £133.996M, made up of £53.037M Supported Borrowing, £80.025M Prudential Borrowing, £792K funded from Current Revenue and £142K Grant Funding. The Current Projection is £133.996M.
- 7.3 Appendix 2 highlights variations to the following project

Inverclyde Academy Roads Works. This contract has incurred an increase in costs, full details of which are given in the appendix. This over expenditure can be contained within the budget by utilising the remaining 2008/09 new projects allowance and part of the 2008/09 contingency allowance.

Specific approval is required in terms of the Council's Financial Regulations for this over expenditure.

7.4	Education and Lifelong Learning	Approved Budget £000	Current Position £000	Overspend / (Underspend) £000
	Total School Estate	131,496	131,496	-
	Total Non School Estate	2,500	2,500	-
	<b>Total</b>	<b>133,996</b>	<b>133,996</b>	<b>-</b>

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

## **8.0 CONSULTATION**

8.1 There are no direct staffing implications in respect of the report and as such the Head of Organisational Development & Human Resources has not been consulted.

8.2 There are no legal issues arising from the content of this report and as such the Head of Legal & Administration has not been consulted.

## **9.0 EQUALITIES**

9.1 There are no equalities issues.

## **10.0 LIST OF BACKGROUND PAPERS**

10.1 Education Capital Programme Technical Progress Reports February 2009. (A technical progress report is a project specific report which details the financial and progress position for current projects which have a legal commitment).

## Appendix 2

### Inverclyde Academy Road Works

#### Technical Progress Report Dated 19 February 2009

#### THE FINAL TOTAL SHOWS AN INCREASE TO £ . AN INCREASE OF £79,792 OVER THE PREVIOUSLY APPROVED FIGURE OF £ 1,154,524

##### Purchase of Electrical Equipment

Due to the short timescales and the order period for the traffic lights. It was arranged that the equipment would be purchased direct from the manufacturer and handed to the contractor for installation. The cost of this was £66,000. This sum was not included in the project budget in the tender report. £65,727

##### Contract

The contract itself proceeded fairly smoothly, with only the normal elements of change to be expected on a project of this size and nature, eg soft ground requiring dug out, uncharted underground services encountered and minor elements of redesign. The estimated amount of variations/CVIs is approximately £147,489. Against this can be set the £20,625 daywork allowance and a reduction in remeasured work (some of which was included in variations) of £106,560. This amounts to a net increase in contract works of £20,304. £20,304

##### Safety Audit

An independent safety Audit has been carried out. The report has not been submitted as yet however it is likely to request some minor alterations. £12,000 requires to be allowed for the necessary work £12,000

##### Bonus payment

Because of the pressure to have the project completed for the projected school opening date it was agreed that a lane rental system would be used. This meant that the contractor was paid a bonus of £5,000 per day for early completion and was penalised £5,000 per day for every day he finished late. An allowance of £35,000 was included in the budget for this which covered the contractor finishing 7 days early. The lane rental period was 35 days.

While this has still to be finalised it seems likely that the payment will exceed the allowance. It is prudent to allow a further 2.5 days at present £12,500

##### Fees

Ameys fees were set at £83,000 at the time of the tender report. They have submitted a claim for additional fees however it is not considered that this is due. Negotiations on this may however result in an additional payment.

Environmental Services fees were set at 5% in the tender report. It has been agreed to reduce this to 2% which is considered reasonable. This would result in a saving of £30,739 -£30,739

**Total** **£79,792**

CAPITAL REPORT APPENDIX 1

COMMITTEE: EDUCATION & LIFELONG LEARNING

Project Name	1	2	3	4	5	6	7	8	9	10	Status
	Est Total Cost	Actual to 31/3/08	Approved Budget 2008/09	Revised Est 2008/09	Actual to 30/01/09	Est 2009/10	Est 2010/11 and Future Years	Start Date	Original Completion Date	Current Completion Date	
	£000	£000	£000	£000	£000	£000	£000				
<b>School Estate</b>											
<u>Supported Borrowing</u>											
<u>C/F from 2005/06</u>											
Wemyss Bay PS - Alterations & Extension	3,592	2,352	1,544	1,175	1,183	65	0	Jun-07	Jun-08	Aug-08	Complete.
<u>Agreed 06/07</u>											
General Asbestos Removal	5	0	25	0	0	5	0	Apr-08	-	Oct-09	Complete.
Gourock HS - Refurbishment	110	91	64	19	-2	0	0	Sep-06	-	Oct-08	Complete.
Greenock Academy - Refurbishment	82	36	50	46	52	0	0	Sep-06	-	Apr-08	Complete.
Greenock High - Pitch Upgrade & Changing	100	47	28	28	6	25	0	Mar-07	-	Jul-09	Works complete except floodlighting.
Greenock High - Refurbishment	190	98	18	52	36	40	0	Jul-07	-	Jun-09	Phased works on-going.
Wellington - Decant / Refurbishment	216	32	70	35	23	149	0	Mar-08	-	Jun-09	Refurb works on site.
<u>Agreed 07/08</u>											
St Stephen's Refurb Phase 1B - PE Block	36	36	722	0	0	0	0	-	-	-	Feasibility only. Project not proceeding.
St Stephen's Refurb Phase 1B - Science Room	49	49	546	0	0	0	0	-	-	-	Feasibility only. Project not proceeding.
St Stephen's Refurb Phase 1B - CCTV	70	7	51	61	67	2	0	Jun-08	Aug-08	Aug-08	Complete.
St John's Electrical Installation	172	138	61	29	31	5	0	Dec-07	Mar-08	Jun-08	Complete.
Post Occupancy Evaluation Works - Various	60	11	49	5	2	44	0	Jun-07	-	Mar-10	Phased works on-going.
St Francis PS Roofing	252	121	161	124	133	7	0	Dec-07	Mar-08	Jun-08	Complete.
Newark Primary School Roads Works	349	127	324	215	193	7	0	Feb-08	Feb-08	Apr-09	Complete.
<u>Agreed 08/09</u>											
St John's PS Window Replacement	168	11	147	142	137	15	0	Jun-08	Aug-08	Sep-08	Complete.
New PPP Primary - Demolish Aileymill/Larkfield	27	0	63	26	24	1	0	Jun-08	Sep-08	Sep-08	Complete.
Kings OAK PS Windows & roof	353	13	348	304	299	36	0	Jun-08	Aug-08	Dec-08	Complete.
St Francis PS Windows	160	8	158	133	129	19	0	Jun-08	Aug-08	Sep-08	Complete.
Gourock PS Ceilings/Lights Ph 4	57	0	48	55	51	2	0	Jun-08	Aug-08	Aug-08	Complete.
Inverkip PS - Windows/Roofing/Render	160	0	132	155	112	5	0	Jun-08	Aug-08	Mar-09	On site. Delayed due to adverse weather.
Sacred Heart Nursery Alterations	26	0	19	25	7	1	0	Jun-08	Jul-08	Aug-08	Complete.
Kings Glen Nursery Alterations	65	0	38	63	29	2	0	Jun-08	Aug-08	Aug-08	Complete.
St Stephen's HS Math's Corridor	46	0	0	44	24	2	0	Jun-08	Aug-08	Oct-08	Complete.
St Stephen's HS Window Ventilation	12	0	0	12	10	0	0	Oct-08	Oct-08	Oct-08	Complete.
St Stephen's High School - Changing Room Refurbishment	138	0	0	90	10	43	5	Feb-09	Mar-09	Mar-09	On site.
St Stephen's HS - General Refurbishment	150	0	0	12	12	133	5	Apr-09	-	Jul-09	At design stage.
Port Glasgow HS - General Refurbishment	150	0	0	10	0	135	5	Apr-09	-	Jul-09	At design stage.
Demolish Slaemuir PS	92	0	190	85	8	2	5	Oct-08	-	Nov-08	Complete.
Demolish Barmoss Nursery (now included in Slaemuir)	0	0	53	0	0	0	0	Jan-09	-	Mar-09	Demolition due to commence Feb 09.
Inverclyde Academy Roads Works	1,234	0	371	1,176	817	58	0	Aug-08	Oct-08	Oct-08	Complete.
<u>New Projects Allocation</u>											
Inverkip PS Acoustic Ceiling	23	0	0	22	22	1	0	Jun-08	Aug-08	Aug-08	Complete.
Higholm PS - Security	13	0	0	13	0	0	0	Nov-08	-	Dec-08	Complete.
Lilybank School - Adaptations	65	0	0	5	0	60	0	Mar-09	-	Jul-09	At design stage.
Wemyss Bay PS - External Works	10	0	0	10	0	0	0	Jul-08	-	Aug-08	Complete.
Balance of New Projects Allocation	0	0	150	0	0	0	0	-	-	-	To be allocated.
<u>Lifecycle Fund</u>											
Balance of Lifecycle	0	0	48	0	0	0	0	-	-	-	Allocation pooled with 09/10.
<u>Contingency allowance</u>											
Balance of contingency	31	0	100	31	0	0	0	-	-	-	
<u>Agreed 09/10</u>											
Ardgowan Refurbishment Phase 1	250	0	0	15	0	225	10	Jun-09	-	Aug-09	Brief issued. Initial design work underway.
Kilmacolm PS Refurbishment Phase 1	250	0	0	15	0	225	10	Jun-09	-	Aug-09	Brief issued. Initial design work underway.
Lady Alice PS Refurbishment Phase 1	250	0	0	15	0	225	10	Oct-09	-	Dec-09	Brief issued. Initial design work underway.
Moorfoot PS Refurbishment Phase 1	250	0	0	15	0	225	10	Jun-09	-	Sep-09	Brief issued. Initial design work underway.
St Marys PS Refurbishment Phase 1	250	0	0	15	0	225	10	Sep-09	-	Nov-09	Brief issued. Initial design work underway.
St Johns Refurbishment Phase 1	250	0	0	15	0	225	10	Nov-09	-	Jan-10	Brief issued. Initial design work underway.
St Ninians PS Disabled Access	90	0	20	10	8	75	5	Dec-08	-	Aug-09	First phase ramp complete. 2nd phase briefed. At design.
Kings Glen Decant School Upgrade	150	0	0	7	7	133	10	Jul-09	-	Aug-09	Floor finishes carried out.

*NB: Dates in italics are projected i.e. no formal contracts in place to allow firm date to be stated at this time*

Wemyss Bay Primary School - Pitch Upgrade	394	0	24	20	0	364	10	May-09	-	Aug-09	Brief issued. Initial design work underway.
Roads improvement works PPP Primary School s	56	0	0	0	0	56	0	Nov-09	-	Dec-09	To be briefed.
PPP Primary Schools Interactive boards & LCD screens	130	0	0	0	0	130	0	Nov-09	-	Dec-09	To be carried out when schools complete.
<b>Lifecycle Fund</b>											
St Patrick's Primary School - Boiler Upgrade	100	0	0	5	0	90	5	Jun-09	-	Aug-09	At design stage.
Balance of Lifecycle	26	0	0	0	0	26	0	-	-	-	To be allocated.
<b>Contingency allowance</b>											
Balance of contingency	100	0	0	0	0	100	0	-	-	-	
<b>Agreed 10/11</b>											
Earnhill PS Refurbishment	4,253	0	24	0	0	263	3,990	Apr-10	-	Jul-11	Brief being prepared.
Overton/Highlanders Refurbishment	5,128	0	39	0	0	329	4,799	Apr-10	-	Jul-11	Brief being prepared.
Demolish Ravenscraig PS	179	0	0	0	0	0	179	Feb-10	-	Mar-10	To be briefed.
<b>Lifecycle Fund</b>											
Balance of Lifecycle	157	0	0	0	0	0	157	-	-	-	To be allocated.
<b>Contingency allowance</b>											
Balance of contingency	100	0	0	0	0	0	100	-	-	-	
<b>Complete On Site</b>											
Projects Complete on site 2007/08	3,418	3,289	84	50	0	79	0	-	-	-	On-going
Allowance for Projects complete in previous years	500	0	400	50	0	450	0	-	-	-	On-going
<b>Future Programme</b>											
Gourock HS Refurbishment for St Columba's HS	17,676	0	0	0	0	151	17,525	Jul-11	-	Jun-13	To be advised.
Inverkip PS Refurbishment	1,014	0	0	0	0	0	1,014	Jun-11	-	Mar-12	To be advised.
Lilybank School - New Build	8,619	0	0	0	0	0	8,619	Mar-12	-	Jun-13	To be advised.
ASN Units In Mainstream Schools	421	0	0	0	0	2	419	Mar-12	-	Sep-12	To be advised.
Roads improvement works (PPP Secondaries)	617	0	0	0	0	56	561	Mar-11	-	Apr-11	To be advised.
	52,891	6,466	6,169	4,434	3,430	4,518	37,473				
<b>Prudentially Funded Projects</b>											
New Build - Newark PS (Prudential)	10,444	9,325	160	971	1167	148	0	Feb-07	Mar-08	Aug-08	Complete.
New Build - Inverclyde Academy (Prudential)	28,494	18,866	9,644	9,242	8460	386	0	Feb-07	Sep-08	Dec-08	Complete.
Port Glasgow Joint Campus Secondary School	39,617	0	19	19	0	539	39,059	Jul-11	-	Jul-13	To be advised.
Complete on site	0	0	0	0	0	0	0	-	-	-	
	78,555	28,191	9,823	10,232	9,627	1,073	39,059				
<b>CFCR (Capital Funded from Current Revenue)</b>											
Complete on site	50	50	0	0	0	0	0	-	-	-	
	50	50	0	0	0	0	0				
<b>TOTAL SCHOOL ESTATE</b>	131,496	34,707	15,992	14,666	13,057	5,591	76,532				
<b>Non-School Estate</b>											
<b>Prudentially Funded</b>											
New Rainbow Nursery	1,380	206	1,138	1,125	1,105	49	0	Jun-07	Jun-08	Nov-08	Complete.
Inverkip PS Nursery	90	0	90	88	78	2	0	Apr-08	Aug-08	Aug-08	Complete.
Complete on site	0	0	0	0	0	0	0	-	-	-	
	1,470	206	1,228	1,213	1,183	51	0				
<b>Additional Funding</b>											
New Rainbow Nursery - Capital Grant Funded Element	142	142	0	0	0	0	0	Jun-07	Jun-08	Nov-08	Complete.
New Rainbow Nursery	146	0	0	146	146	0	0	Jun-07	Jun-08	Nov-08	Complete.
Complete on site	0	0	0	0	0	0	0	-	-	-	
	288	142	0	146	146	0	0				
<b>CFCR (Capital Funded from Current Revenue)</b>											
New Rainbow Nursery - Revenue Funded Element	642	492	150	150	150	0	0	Jun-07	Jun-08	Nov-08	Complete.
Complete on site	100	100	0	0	0	0	0	-	-	-	
	742	592	150	150	150	0	0				
<b>TOTAL NON-SCHOOL ESTATE</b>	2,500	940	1,378	1,509	1,479	51	0				
<b>EDUCATION &amp; LIFELONG LEARNING TOTAL</b>	133,996	35,647	17,370	16,175	14,536	5,642	76,532				