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**Report To:** Education & Lifelong Learning Committee      **Date:** 1 November 2011

**Report By:** Corporate Director Education and Communities and Chief Financial Officer      **Report** EDUC/42/11/EM

**Contact Officer:** Eddie Montgomery      **Contact No:** 01475 712472

**Subject:** Capital Programme 2011 – 15/16 - Progress

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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 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 revised School Estate Funding Model being submitted to this Committee and covers the period 2011-2015/16.
- 2.3 Overall the Committee is projecting to contain the costs of the 2011-15/16 Capital Programme within available budgets.
- 2.4 Appendix 1 contains details of the projected spend and cashflow for the Capital Programme over the 4 years of the current programme.

## **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note the progress on the specific projects detailed in Appendix 1.
- 3.2 The Committee note the review of the School Estate Funding Model which is a separate item on the agenda.

Albert Henderson  
Corporate Director Education  
& Communities  
7<sup>th</sup> October 2011

Alan Puckrin  
Chief Financial Officer  
7<sup>th</sup> October 2011

## **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 at the meeting on 7<sup>th</sup> September 2010 and as amended for the review of the School Estate Funding Model being reported to this Committee. 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 17 years. The Education Capital Programme detailed in this report shows details of projects which will incur expenditure up to March 2016.

## **5.0 PRIMARY SCHOOL REFURBISHMENTS**

- 5.1 The Refurbishment of Earnhill for St. Andrew's Primary School commenced on site on 30<sup>th</sup> August and works are now almost complete on site. The project is currently being reported within budget. The projected completion date for the main building is 10<sup>th</sup> October with external works by 23<sup>rd</sup> October. The transfer and amalgamation of the schools will take place over the October holiday period with in service and exceptional closure days following on with the first day of operation for pupils being 28<sup>th</sup> October.
- 5.2 Overton Primary School Refurbishment – Following initial delays in relation to the diversion of the existing pressurised water main, the main Contractor took possession of the site on 12<sup>th</sup> April with completion anticipated in July 2012. The project is now progressing well on site with the foundations and structural frame of the extension complete including roof sheeting. External walls are progressing and work within the existing building is advancing through partition installation and first fix services with the new roof coverings commenced. The project is within budget.

## **6.0 PORT GLASGOW SHARED CAMPUS**

- 6.1 The contract has now been formally accepted and works commenced on site on the 3<sup>rd</sup> October 2011 to complete mid July 2013. The event to mark the site start took place on 6<sup>th</sup> October. The park n stride area is nearing completion having been slightly delayed by recent adverse weather. The Employers Agent has been appointed and formal acceptance issued with services commenced.
- 6.2 The works for the temporary shared campus are complete with some minor works to music practice rooms and decoration works being progressed over the October holiday period.

## **7.0 ST COLUMBA'S HIGH SCHOOL**

- 7.1 The tenders have been returned and currently being evaluated with a tender report currently under preparation. The off site drainage works are nearing completion. The existing building is currently being cleared of furniture with asbestos surveys and enabling asbestos removal works on-going. The project is on programme and within budget. It is anticipated that a site start will be made late November to complete June 2013. A verbal update on the latest position will be given at the Committee.

## 8.0 MEARNS CENTRE (REFURBISHMENT OF ST LAURENCE'S PRIMARY SCHOOL)

8.1 The May 2011 Committee approved the revised scope of the Mearns Centre (Refurbishment of former St. Laurence's Primary School). The Design Team is currently progressing the detailed design of the project. It is anticipated that a site start will be made in December 2011 with completion in September 2012 to allow a transfer over the October holiday period in 2012.

## 9.0 FINANCIAL IMPLICATIONS

9.1 The approved budget for 2011/12 is £22.862M. The Committee is projecting to spend £14.416M with a reduction of £3.809M (16.66%) and slippage of £4.630 (20.25%) into future years. It was reported at the last Committee that the spend projection did not account for the tender return for the new Port Glasgow Shared Campus project. A combination of a very competitive tender return and the re-profiling of the spend for that project in line with the Contractor's anticipated cash flow forecast which reflects the delayed start on the project due to the extended tender evaluation period has resulted in a significant change in the projected expenditure for 2011/12.

It should also be noted that the figures above also do not take into account the recent tender return for the St. Columba's High School (Refurbishment of Gourock HS) project which has also been returned under budget and for which the tender report has yet to be finalised. This may further impact upon cash flow and spend projections.

The reduction in projected expenditure is as a result of individual project cash flow revisions to reflect updated programmes and the effect of the competitive level of tender returns for large scale projects. It continues to be difficult to estimate the level of tender returns due to the competitive market place.

9.2 The spend at 30<sup>th</sup> September 2011 is £4.169M from a revised budget of £15.365M. This is expenditure of 27.13% of the budget after 50% of the year. The bulk of expenditure is programmed for the last half of the year when the large projects have commenced on site i.e. Port Glasgow Shared Campus and St Columba's High School (Refurbishment of Gourock High School).

9.3 The previously reported approved budget was £92.405M, made up of £53.499M Supported Borrowing, £30K Capital Financed from Current Revenue and £38.876M Prudential Borrowing. The Current Projection is £92.405M.

9.4 The current budget position as amended to reflect the review of the School Estate Funding model being reported to this Committee is £88.296M, made up of £51.928M Supported Borrowing, £30K Capital Financed from Current Revenue and £36.338M Prudential Borrowing. The Current Projection is £88.296M.

9.5

| Education and Lifelong Learning | Approved Budget<br>£000 | Current Position<br>£000 | Overspend /<br>(Underspend)<br>£000 |
|---------------------------------|-------------------------|--------------------------|-------------------------------------|
| Total School Estate             | 91,105                  | 87,296                   | (3,809)                             |
| Total Non School Estate         | 1,300                   | 1,300                    | -                                   |
| <b>Total</b>                    | <b>92,405</b>           | <b>88,596</b>            | <b>(3,809)</b>                      |

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

## **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 Performance 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 Democratic Services has not been consulted.

## **11.0 EQUALITIES**

- 11.1 There are no equalities issues.

## **12.0 LIST OF BACKGROUND PAPERS**

- 12.1 Education Capital Programme Technical Progress Reports October 2011. (A technical progress report is a project specific report which details the financial and progress position for current projects which have a legal commitment).

CAPITAL REPORT APPENDIX 1

COMMITTEE: EDUCATION & LIFELONG LEARNING



| Project Name  | 1              | 2                 | 3                       | 4                   | 5                  | 6             | 7             | 8            | 9            | 10           | 11         | 12                       | 13                      | Status  |
|---|----------------|-------------------|-------------------------|---------------------|--------------------|---------------|---------------|--------------|--------------|--------------|------------|--------------------------|-------------------------|---|
|   | Est Total Cost | Actual to 31/3/11 | Approved Budget 2011/12 | Revised Est 2011/12 | Actual to 30/09/11 | Est 2012/13   | Est 2013/14   | Est 2014/15  | Est 2015/16  | Future Years | Start Date | Original Completion Date | Current Completion Date |   |
|   | £000           | £000              | £000                    | £000                | £000               | £000          | £000          | £000         | £000         | £000         |            |                          |                         |   |
| <b>SEMP - Capital Programme Projects</b>              |                |                   |                         |                     |                    |               |               |              |              |              |            |                          |                         |   |
| Sacred Heart Decant School Upgrade                    | 300            | 0                 | 0                       | 0                   | 0                  | 101           | 183           | 16           | 0            | 0            | Oct-11     | -                        | Jan-12                  |   |
| Earnhill PS - Refurbishment                           | 4,064          | 1,920             | 2,041                   | 2,041               | 1,306              | 103           | 0             | 0            | 0            | 0            | Aug-10     | Jul-11                   | Oct-11                  | On site. Completion anticipated 10 Oct.   |
| Overton / Highlanders Refurbishment                   | 4,899          | 493               | 3,433                   | 3,433               | 1,187              | 911           | 62            | 0            | 0            | 0            | Oct-10     | -                        | Jul-12                  | On site. Progressing well - slightly ahead of programme.  |
| Glenbrae Nursery Window Replacement                   | 45             | 0                 | 15                      | 44                  | 19                 | 1             | 0             | 0            | 0            | 0            | Jun-11     | -                        | Aug-11                  | Complete.   |
| Lady Alice PS Rewire                                  | 224            | 14                | 224                     | 198                 | 154                | 12            | 0             | 0            | 0            | 0            | May-11     | -                        | Aug-11                  | Complete.   |
| St Michaels PS Drainage                               | 27             | 5                 | 30                      | 22                  | 10                 | 0             | 0             | 0            | 0            | 0            | Jun-11     | -                        | Aug-11                  | Complete.   |
| Glenbrae Nursery WC Refurbishment                     | 52             | 0                 | 35                      | 50                  | 42                 | 2             | 0             | 0            | 0            | 0            | Jun-11     | -                        | Aug-11                  | Complete.   |
| Gourock HS - Refurb for St Columba's                  | 15,701         | 549               | 2,567                   | 2,050               | 355                | 9,522         | 3,271         | 309          | 0            | 0            | Nov-11     | -                        | Jun-13                  | Tenders returned. Acceptance imminent.  |
| Inverkip PS -Refurb                                   | 595            | 0                 | 295                     | 295                 | 233                | 256           | 44            | 0            | 0            | 0            | Jul-11     | Oct-11                   | Oct-11                  | Phase 1 complete. Further phased work to follow after Oct 2011.   |
| ASN School - New Build                                | 10,628         | 259               | 2,940                   | 750                 | 0                  | 6,059         | 3,409         | 151          | 0            | 0            | Oct-11     | -                        | Jul-13                  | On site.  |
| Road Improvements PPP Secondaries                     | 546            | 0                 | 227                     | 227                 | 37                 | 319           | 0             | 0            | 0            | 0            | Jun-11     | Aug-11                   | Oct-11                  | Steps and handrail works complete. Car park on hold pending demolition and traffic survey. Footpath works quote received. |
| Demolish Greenock Academy                             | 164            | 0                 | 472                     | 162                 | 25                 | 2             | 0             | 0            | 0            | 0            | Sep-11     | -                        | Nov-11                  | Tenders returned. Acceptance pending.   |
| Demolish St Gabriels PS                               | 86             | 0                 | 125                     | 85                  | 5                  | 1             | 0             | 0            | 0            | 0            | Oct-11     | -                        | Nov-11                  | Tenders returned. Acceptance pending.   |
| Demolish Kings Glen PS                                | 221            | 0                 | 9                       | 9                   | 0                  | 201           | 11            | 0            | 0            | 0            | Jul-12     | -                        | Sep-12                  |   |
| PPP Secondary Schools Interactive Boards              | 395            | 2                 | 393                     | 393                 | 353                | 0             | 0             | 0            | 0            | 0            | Apr-11     | May-11                   | May-11                  | Complete.   |
| Demolish St Stephens HS                               | 558            | 0                 | 0                       | 0                   | 0                  | 0             | 530           | 28           | 0            | 0            | Jul-13     | -                        | Oct-13                  |   |
| Demolish Lilybank                                     | 124            | 0                 | 0                       | 0                   | 0                  | 0             | 117           | 7            | 0            | 0            | Jul-13     | -                        | Sep-13                  |   |
| Balance of Lifecycle Fund                             | 1,784          | 0                 | 188                     | 0                   | 0                  | 337           | 359           | 487          | 601          | 0            |            |                          |                         |   |
| Balance of Contingency                                | 723            | 0                 | 65                      | 323                 | 0                  | 100           | 100           | 100          | 100          | 0            |            |                          |                         |   |
| St Patrick's PS Reception Alterations                 | 9              | 0                 | 0                       | 9                   | 7                  | 0             | 0             | 0            | 0            | 0            | Aug-11     | Aug-11                   | Aug-11                  | Complete.   |
| Lady Alice PS Resurfacing                             | 15             | 0                 | 0                       | 15                  | 0                  | 0             | 0             | 0            | 0            | 0            | Oct-11     | -                        | Oct-11                  | Planned for October holiday period.   |
| Kilmacolm PS Re-Roofing                               | 280            | 0                 | 0                       | 272                 | 0                  | 8             | 0             | 0            | 0            | 0            | Jan-12     | -                        | Mar-12                  | At design stage.  |
| Future Projects                                       | 10,332         | 0                 | 0                       | 0                   | 0                  | 201           | 2,592         | 1,818        | 2,957        | 2,764        |            |                          |                         |   |
| Complete on site                                      | 156            | 0                 | 129                     | 129                 | 20                 | 27            | 0             | 0            | 0            | 0            |            |                          |                         |   |
| Virement to Regeneration Committee - Inverkip Library | 300            | 0                 | 300                     | 0                   | 0                  | 300           | 0             | 0            | 0            | 0            |            |                          |                         |   |
| <b>Non Prudentially Funded SEMP</b>                   | <b>52,228</b>  | <b>3,242</b>      | <b>13,488</b>           | <b>10,507</b>       | <b>3,753</b>       | <b>18,463</b> | <b>10,678</b> | <b>2,916</b> | <b>3,658</b> | <b>2,764</b> |            |                          |                         |   |
| <b>SEMP-Prudentially Funded Projects</b>              |                |                   |                         |                     |                    |               |               |              |              |              |            |                          |                         |   |
| Port Glasgow Shared Campus Secondary School           | 32,754         | 828               | 7,701                   | 2,495               | 368                | 18,421        | 10,529        | 481          | 0            | 0            | Oct-11     | -                        | Jul-13                  | On site.  |
| St Laurences PS - Refurb for Mearns Centre            | 2,150          | 0                 | 757                     | 630                 | 24                 | 1,450         | 70            | 0            | 0            | 0            | Dec-11     | -                        | Sep-12                  | At detail design stage.   |
| Complete on site                                      | 134            | 0                 | 134                     | 134                 | 4                  | 0             | 0             | 0            | 0            | 0            |            |                          |                         |   |
|   | 35,038         | 828               | 8,592                   | 3,259               | 396                | 19,871        | 10,599        | 481          | 0            | 0            |            |                          |                         |   |
| <b>SEMP-CFCR Funded Projects</b>                      |                |                   |                         |                     |                    |               |               |              |              |              |            |                          |                         |   |
| Lilybank Multi Sensory Room Alterations               | 30             | 0                 | 30                      | 30                  | 5                  | 0             | 0             | 0            | 0            | 0            | Apr-11     | Apr-11                   | Apr-11                  | Complete.   |
|   | 30             | 0                 | 30                      | 30                  | 5                  | 0             | 0             | 0            | 0            | 0            |            |                          |                         |   |
| <b>TOTAL SEMP CAPITAL</b>                             | <b>87,296</b>  | <b>4,070</b>      | <b>22,110</b>           | <b>13,796</b>       | <b>4,154</b>       | <b>38,334</b> | <b>21,277</b> | <b>3,397</b> | <b>3,658</b> | <b>2,764</b> |            |                          |                         |   |
| <b>Non-SEMP Prudentially Funded Projects</b>          |                |                   |                         |                     |                    |               |               |              |              |              |            |                          |                         |   |
| Binnie Street Nursery                                 | 1,300          | 80                | 1,052                   | 620                 | 15                 | 597           | 3             | 0            | 0            | 0            | Sep-11     | -                        | Jun-12                  | On site.  |
|   | 1,300          | 80                | 1,052                   | 620                 | 15                 | 597           | 3             | 0            | 0            | 0            |            |                          |                         |   |
| <b>TOTAL non-SEMP CAPITAL</b>                         | <b>1,300</b>   | <b>80</b>         | <b>1,052</b>            | <b>620</b>          | <b>15</b>          | <b>597</b>    | <b>3</b>      | <b>0</b>     | <b>0</b>     | <b>0</b>     |            |                          |                         |   |
| <b>TOTAL ALL CAPITAL PROJECTS</b>                     | <b>88,596</b>  | <b>4,150</b>      | <b>23,162</b>           | <b>14,416</b>       | <b>4,169</b>       | <b>38,931</b> | <b>21,280</b> | <b>3,397</b> | <b>3,658</b> | <b>2,764</b> |            |                          |                         |   |