
Report To: Education & Lifelong Learning Committee **Date:** 24 January 2011

Report By: Corporate Director Education and Communities and Chief Financial Officer **Report** EDUC/08/12/EM

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

Subject: Capital Programme 2011 – 15/16 - Progress

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 as reported to the November 2011 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 That the Committee note and approve the additional expenditure on the Binnie Street Children's Centre and St. Andrew's Primary School (Refurbishment of Earnhill PS) projects as detailed in Appendices 2 and 3.
- 3.3 That the Committee approve the utilisation of the overall capital programme contingency allowance to address the over expenditure noted in 3.2 above.

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 7th September 2010 and as amended for the review of the School Estate Funding Model reported to the November 2011 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 30th August and works and was completed on 27th October 2011. The transfer and amalgamation of the schools took place over the October holiday period with in service and exceptional closure days utilised and with the first day of operation for pupils on 28th October. The Contractor has retained a presence within the former Sacred Heart Primary School to attend to any snagging which has been minimal. The project is reporting an over expenditure of approximately 5% as a result of a number of issues experienced on the project which, now that the project is complete, have been able to be detailed and ascertained in the final account. A summary of the issues and costs are contained in Appendix 3.
- 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 12th April with completion anticipated in July 2012. The project is progressing on site with the foundations and structural frame of the extension complete including roof liner sheeting with top sheeting to follow. External walls are almost complete and work within the existing building is advancing with window installation, partition installation and first fix services complete and new roof coverings nearing completion. The Contractor has experienced some delay to the exceptionally adverse weather and also with difficult ground conditions but is still reporting on programme for July 2012. The project is within budget.

6.0 PORT GLASGOW SHARED CAMPUS

- 6.1 Works commenced on site on the 3rd October 2011 to complete mid July 2013. The Contractor is progressing with the demolition of the existing building, the culvert diversion and the formation of the new roundabout. The Contractor is reporting 9 days behind on his current programme due to exceptionally adverse weather conditions and some difficult ground conditions but is hopeful of recovering this time across the remainder of the programme. The park n stride area is now complete and open for use. Tenders have been returned for the Independent Testing & Commissioning Engineer Services and an appointment is imminent.

7.0 ST COLUMBA'S HIGH SCHOOL

7.1 Tenders have been returned and evaluated with a tender report prepared. The stand still period has expired and the letter of acceptance has been drafted ready for issue upon receipt of the building warrant. The off site drainage works are complete and the existing building has been cleared of furniture with asbestos removal works almost complete. It is anticipated that a start on site will be made mid January to complete June 2013. The project is below budget and has benefited from the very competitive market conditions similar to the Port Glasgow Shared Campus project. The project is being reported £1.034M below budget . Treatment of this underspend will be reported to the next meeting of 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). Tender documents are nearing completion with issue imminent. It is anticipated that a site start will be made in late February / early March 2012 with completion in December 2012. The programme has slipped due to the delay experienced on the pre-contract design stage and in issuing tenders. However it should be noted that due to the relatively small number of pupils and staff involved, transfer from the existing building at completion is manageable outwith holiday periods.

9.0 BINNIE STREET CHILDREN'S CENTRE

9.1 The Education Capital Programme includes budget provision of £1.3M under the Non-SEMP Prudentially Funded Projects heading for Binnie Street Children's Centre. Tenders were issued in June 2011 and returned within budget in July 2011 with an acceptance issued in August 2011. The works commenced on site on the 19 September 2011 and were progressing well until the discovery of extensive rot in existing timbers. The contract documents include a provisional sum of £20,000 for timber survey and rot repairs, however upon full stripping back of the building internals it became clear that the rot was more extensive than originally anticipated and further detailed surveys and estimates were sought via the main Contractor. Quotations have now been received and the lowest acceptable quotation including an allowance for the delay on the main contract is estimated to be in the region of £110,000. An additional £90K is therefore required to address the issue which is summarised in Appendix 2 to this report. The use of powers delegated to the Chief Executive was required as the additional expenditure resulted in the approved total cost of the project being exceeded and an instruction to proceed was required as soon as possible to avoid any further delays on the main contract which would attract further delay costs. A report confirming use of Emergency Powers is being submitted to this Committee.

10.0 FINANCIAL IMPLICATIONS

10.1 The approved budget for 2011/12 is £22.862M. The Committee is projecting to spend £12.314M for 2011/12. This is a reduction of £4.809M (21.03%) due to lower tender prices / revisions to the model and £5.739 (25.10%) due to slippage into future years. As reported at the last Committee the November spend projection did not account for the tender return for the St. Columba's High School (Refurbishment of Gourrock HS) project. A combination of a very competitive tender return and the re-profiling of the spend for that project to reflect a slightly delayed start on the project due to the extended tender evaluation has resulted in a further reduction in the projected expenditure for 2011/12.

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.

10.2 The spend at 30th November 2011 is £6.520M from a revised budget of £12.314M. This is expenditure of 52.95% of the budget after 66.67% of the year.

10.3 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.

10.4 The current budget position as amended to reflect the review of the School Estate Funding model reported to the November 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.

Education and Lifelong Learning	Approved Budget £000	Current Position £000	Overspend / (Underspend) £000
Total School Estate	91,105	86,996	(4,109)
Total Non School Estate	1,300	1,300	-
Total	92,405	88,296	(4,109)

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

11.0 CONSULTATION

11.1 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.

11.2 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.

12.0 EQUALITIES

12.1 There are no equalities issues.

13.0 LIST OF BACKGROUND PAPERS

13.1 Education Capital Programme Technical Progress Reports December 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 31/03/11	Approval Budget 2011/12	Revised Est 2011/12	Actual to 30/11/11	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				
SEMP - Capital Programme Projects														
Sacred Heart Decant School Upgrade	300	0	0	0	9	15	269	16	0	0	0	0	0	Complete. See specific report and appendix 3.
Eamhill PS - Refurbishment	4,267	1,920	2,041	2,122	1,770	225	0	0	0	0	0	0	0	On site.
Overton / Highlanders Refurbishment	4,899	493	3,433	3,253	1,905	991	162	0	0	0	0	0	0	Complete.
Glenbrae Nursery Window Replacement	40	0	15	39	20	1	0	0	0	0	0	0	0	Complete.
Lady Alice PS Rewire	224	14	224	198	162	12	0	0	0	0	0	0	0	Complete.
St Michaels PS Drainage	27	5	30	22	10	0	0	0	0	0	0	0	0	Complete.
Glenbrae Nursery WC Refurbishment	52	0	35	50	44	2	0	0	0	0	0	0	0	Complete.
Gourock HS - Refurb for St Columba's	14,667	549	2,567	1,151	641	8,059	4,656	252	0	0	0	0	0	Tenders returned. Acceptance imminent.
Inverkip PS - Refurb	595	0	295	295	251	157	143	0	0	0	0	0	0	Phase 1 complete. Further phased work on site. Nursery works to commence summer 2012.
ASN School - New Build	10,628	259	2,940	725	0	5,759	3,734	151	0	0	0	0	0	On site.
Road Improvements PPP Secondaries	546	0	227	50	50	177	319	0	0	0	0	0	0	Steps and handrail works complete. Car park on hold pending demolition and traffic survey. Footpath works quote awaited.
Demolish Greenock Academy	164	0	472	0	59	0	0	0	162	2	Sep-15	Nov-15	Nov-15	Demolition delayed. Building in temporary use.
Demolish St Gabriels PS	86	0	125	85	6	1	0	0	0	0	Jan-12	Feb-12	Feb-12	Tenders returned. Acceptance imminent.
Demolish Kings Glen PS	221	0	9	9	151	0	61	0	0	0	Jan-12	Sep-12	Sep-12	Complete.
PPP Secondary Schools Interactive Boards	395	2	393	393	355	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	Oct-13	Complete.
Demolish Lilybank	124	0	0	0	0	0	117	7	0	0	Jul-13	Sep-13	Sep-13	Complete.
Balance of Lifecycle Fund	1,784	0	188	0	0	337	359	487	601	0	0	0	0	Complete.
St Patrick's PS Reception Alterations	1,469	0	65	69	0	600	0	100	100	0	0	0	0	Complete.
Lady Alice PS Resurfacing	9	0	0	9	7	0	0	0	0	0	0	0	0	Tenders returned. Acceptance imminent.
Kilmacolm PS Re-Roofing	15	0	0	15	0	0	0	0	0	0	0	0	0	Complete.
Future Projects	280	0	0	240	22	40	0	0	0	0	0	0	0	Complete.
Complete on site	10,332	0	0	0	0	201	2,592	1,818	2,957	2,764	0	0	0	Tenders returned. Acceptance imminent.
	156	0	129	129	33	27	0	0	0	0	0	0	0	Complete.
Non Prudentially Funded SEMP	51,838	3,242	13,188	8,654	5,259	16,755	13,542	2,859	3,820	2,765				
SEMP-Prudentially Funded Projects														
Port Glasgow Shared Campus Secondary School	32,754	828	7,701	2,427	968	17,592	11,426	481	0	0	0	0	0	On site.
St Laurences PS - Refurb for Means Centre	2,150	0	757	249	130	1,831	70	0	0	0	0	0	0	Tender issue imminent.
Complete on site	134	0	134	134	11	0	0	0	0	0	0	0	0	Complete.
	35,038	828	8,592	2,810	1,109	19,423	11,496	481	0	0	0	0	0	Complete.
SEMP-CFOR Funded Projects														
Lilybank Multi Sensory Room Alterations	30	0	30	30	23	0	0	0	0	0	0	0	0	Complete.
	30	0	30	30	23	0	0	0	0	0	0	0	0	Complete.
TOTAL SEMP CAPITAL	86,906	4,070	21,810	11,694	6,391	36,178	25,038	3,340	3,820	2,765				
Non-SEMP Prudentially Funded Projects														
Binnie Street Nursery	1,390	80	1,052	620	129	620	70	0	0	0	0	0	0	On site. See specific report and appendix 2.
	1,390	80	1,052	620	129	620	70	0	0	0	0	0	0	On site. See specific report and appendix 2.
TOTAL non-SEMP CAPITAL	1,390	80	1,052	620	129	620	70	0	0	0	0	0	0	
TOTAL ALL CAPITAL PROJECTS	88,296	4,150	22,862	12,314	6,520	36,798	25,108	3,340	3,820	2,765				

Binnie Street Children's Centre

Refurbishment and extension

VARIATIONS IN THE CONTRACT RESULTING IN
THE APPROVED COST BEING EXCEEDED

Rot Repairs

An initial survey was carried out at design stage to establish the extent of rot in the existing woodwork. At that stage there was little evidence of rot. Since the building has been fully stripped out, the extent of rot appeared much worse than first anticipated. Three specialist rot contractors have carried out surveys of the building and prepared reports and quotations to repair rotted timbers and provide a guarantee. The allowance contained within the tender of £20,000 is not sufficient, and the revised estimated cost of rot treatment is £90,000. Additional funding of £70,000 is required to complete the works

£70,000

The extent of the works required is likely to delay the contract by 6 weeks and the main contractor will be seeking additional costs for this delay. This is estimated to be £20,000

£20,000

Total increase in project works.

£90,000

APPENDIX 3

12th December 2011

EARNHILL PS (ST ANDREWS)

	ACCEPTED TENDER : CONTRACT SUM	£3,535,957
01.	CONTINGENCIES: OMIT ALL CONTINGENCIES AND ALL PROVISIONAL SUMS FROM THE CONTRACT	-£187,596
02.	CONSTRUCTION ISSUE DRAWINGS: ISSUE OF REVISED DRAWINGS CONTAINING UPDATES AND REVISIONS TO DESIGN TO INCORPORATE CONDITIONS FOUND ON SITE AND REVISIONS TO SPECIFICATION AND REVISIONS TO ACCORD WITH CURRENT BUILDING REGULATIONS	£86,922
03.	REVISION TO SERVICES: INCORPORATION OF REVISIONS TO ALL SERVICE PROVISIONS INCLUDING SUBSTANTIAL VARIATIONS TO THE SPRINKLER SYSTEM	£24,562
04.	STRUCTURAL REVISIONS: REVISIONS TO DRAWINGS TO REFLECT CONDITIONS FOUND ON SITE BOTH IN CONNECTION WITH EXISTING BUILDING AND NEW STRUCTURES	£22,823
05.	FLOOR, WALL AND CEILING FINISHES: REVISIONS TO TAKE ACCOUNT OF EXISTING SURFACES WHICH WERE GENERALLY IN A POORER CONDITION THAN ENVISAGED RESULTING IN ADDITIONAL COSTS TO ALL FINISHES	£73,542
06.	DRAINAGE REVISIONS: ALTERATIONS TO COPE WITH CONDITIONS FOUND ON SITE INCLUDING ASSOCIATED BUILDER WORK	£13,559
07.	EXTERNAL WORKS: CHANGE TO EXTERNAL WORKS TO ACCORD WITH CONDITIONS FOUND ON SITE	£4,958
08.	ADDITIONAL REMEDIAL WORKS INTERNALLY: REVISIONS TO REFLECT THE CONDITION OF THE EXISTING STRUCTURE PRIMARILY ON THE SOUTH AND WEST ELEVATIONS AS A RESULT OF PREVIOUS WATER PENETRATION	£71,650
09.	EXTERNAL FABRIC REVISIONS: ALTERATIONS TO COPE WITH THE POOR CONDITION OF THE FABRIC EXTERNALLY PRINCIPALLY AS A RESULT OF CONCRETE DETERIORATION AND WATER INGRESS	£31,330
10.	ALTERATIONS TO FURNITURE, FITTINGS AND EQUIPMENT, PINBOARDS, PA SYSTEM, ADDITIONAL EXTERNAL SIGNAGE AND INSTALLATION OF WINDOW BLINDS	£43,062
11.	REVISED PRELIM COSTS: AS A RESULT OF CLAIM FOR EXTENSION OF TIME	£43,017
12.	CLAIM EXTENSION OF TIME: AS A RESULT OF AWARD BY ARCHITECT	£23,231
		<hr/>
		£3,787,018
	CONTRACT SUM	<hr/> £3,535,957
	SUB-TOTAL	£251,061
13.	FEES: INCREASE TO THE SUB-TOTAL RESULTS IN A SUBSEQUENT PERCENTAGE INCREASE IN FEES	£29,103
14.	REDUCTION IN CLIENT LOOSE FURNITURE AND EQUIPMENT BUDGET (PART PROVIDED THROUGH MAIN CONTRACT)	-£62,000
15.	REDUCTION IN POST OCCUPANCY EVALUATION BUDGET (PART WORKS CARRIED OUT EARLY THROUGH MAIN CONTRACT)	-£15,000
		<hr/>
	Total increase in project works.	<hr/> <hr/> £203,164