

**Report To:** Education & Lifelong Learning Committee  
**Date:** 13 March 2012

**Report By:** Corporate Director Education and Communities and Chief Financial Officer  
**Report No:** EDUC/16/12/EM

**Contact Officer:** Eddie Montgomery  
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**Subject:** Prioritisation and Acceleration of Primary School Refurbishment Programme

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### 1.0 PURPOSE

- 1.1 The purpose of the report is to put forward proposals to the Committee for consideration in respect of the prioritisation of, and the acceleration of aspects of, the Primary School Refurbishment Programme which forms part of the School Estate Management Plan.

### 2.0 SUMMARY

- 2.1 The Education and Lifelong Learning Committee at its meeting of 7 September 2010 agreed that the order of primary schools in the programme be determined primarily by condition and suitability ratings, and that a prioritised schedule be developed and submitted for approval by members by mid 2012. It also agreed that a review of the schedule be undertaken every three years thereafter throughout the life of the programme. This report addresses the prioritisation of the primary school programme as noted above.
- 2.2 The Council, as part of its budget setting process, has agreed that resources be made available to address the acceleration of aspects of the Primary School Refurbishment Programme. Following work by the School Estate Team outline proposals have been prepared indicating a proposed scope of accelerated works (refer to Appendix 2). The proposals can be contained within the funding envelope identified and, in the view of the Technical Officers, minimises the amount of abortive spend. It is also believed that this work can be practically delivered over the next two years with the bulk of the work being carried out over school holiday periods. It should be noted that there is limited scope to advance further works at this point due to the practicalities of carrying out significant packages of work without also carrying out a full decant.

### 3.0 RECOMMENDATION

- 3.1 That the Committee note the report on the current condition and suitability of the properties as contained in Appendix 1 and approve the proposed programme for the primary school refurbishment to 2016 as detailed in 5.1.
- 3.2 That the Committee note the report on the proposed acceleration of aspects of the primary school refurbishment programme as detailed in 6.0 and approve the projects detailed in Appendix 2.
- 3.3 That the Committee approve the revised Funding Model highlighted in 7.2 and included as Appendices 4.1 & 4.2.

Albert Henderson  
Corporate Director Education  
& Communities  
23<sup>rd</sup> February 2012

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Chief Financial Officer  
23<sup>rd</sup> February 2012

## **4.0 BACKGROUND**

- 4.1 The Council submitted its original School Estate Management Plan (SEMP) in 2004. This set out the Council's plans for the future development of the School Estate. At that time no major projects had been carried out although plans were in place to close 5 Primary Schools and begin a programme of major refurbishments of Primary Schools.
- 4.2 At the time of the 2007 revision, 4 major Primary School Refurbishments had been carried out, Inverclyde Academy and Newark Primary School were on site and the Public Private Partnership (PPP) project was at the Competitive Dialogue Stage.
- 4.3 At the time of the 2010 revision, Inverclyde Academy and Newark Primary School had been opened, as had the two PPP Primary Schools (Aileymill Primary School and All Saints Primary School). The refurbished and extended Wemyss Bay Primary School had been completed and the two PPP Secondary Schools (Clydeview Academy and Notre Dame High School) were progressing on site. The refurbishment of Earnhill PS for Sacred Heart and St Gabriel's Primary School (St Andrew's Primary School) was on site with the refurbishment of Overton PS (Whinhill Primary School) for Overton PS and Highlanders Academy about to start on site.
- 4.4 Since the 2010 review Clydeview Academy, Notre Dame High School and St Andrew's Primary School have opened. By the time of the next scheduled review in 2013 the Port Glasgow Shared Campus and ASN School, the refurbished St Columba's High School, the refurbished and extended Whinhill Primary School, and the refurbished Mearns Centre will all be open.
- 4.5 It can be seen from the summary above and the more detailed summary in Appendix 3 that the Council has made significant progress in modernising the School Estate. However, as the programme spans for a further 15 years there are a number of schools that will not receive their significant investment in the short/medium term. It is therefore proposed to accelerate aspects of the Primary School Refurbishment Programme to allow those schools to benefit from partial upgrading / refurbishment works in the short/medium term i.e. over the next 2 financial years 2012/13 and 2013/14.

## **5.0 PRIMARY SCHOOL REFURBISHMENT PROGRAMME - PRIORITISATION**

- 5.1 The Education and Lifelong Learning Committee at its meeting of 7 September 2010 agreed that the order of primary schools in the programme be determined primarily by condition and suitability ratings, and that a prioritised schedule be developed and submitted for approval by members by mid 2012. It also agreed that a review of the schedule be undertaken every three years thereafter through the life of the programme. The first of the remaining Primary School refurbishments is scheduled to commence on site in July 2013 and therefore there is a need to establish an agreed priority order, for the next two primary schools as a minimum, in order that the School Estate Team may commence the consultation phase and preparation of project brief to meet the programmed dates.
- 5.2 A Core Facts return on the state of the School Estate is submitted annually to the Scottish Government, this return was submitted in June 2011 to reflect the Estate as at the 1<sup>st</sup> April 2011. Condition is based on the full Condition Survey carried out by Drivers Jonas in 2009 and updated by the School Estate Team. Suitability is based on suitability surveys carried out by the School Estate Team in conjunction with Head Teachers. Suitability was included for the first time in several years in the Core Facts return of June 2010 and is based on guidance issued by the Scottish Government in 2008. Details of current Condition and Suitability are given in Appendix 3.
- 5.3 Definition of Condition and suitability ratings from Scottish Government guidance:

### **Condition**

Rating	Description	Definition	Score
A	Good	Performing well and operating efficiently	> 85%
B	Satisfactory	Performing adequately but showing minor deterioration	61 – 85%
C	Poor	Showing major defects and/or not operating adequately	40-60%
D	Bad	Life expired and/or serious risk of imminent failure	< 40%

### Suitability

Rating	Description	Definition
A	Good	Performing well and operating efficiently (the school buildings and grounds support the delivery of services to children and communities)
B	Satisfactory	Performing adequately but with minor problems (the school buildings and grounds generally support the delivery of services to children and communities)
C	Poor	Showing major problems and/or not operating optimally (the school buildings and grounds impede the delivery of activities that are needed for children and communities in the school)
D	Bad	(the school buildings and grounds seriously impede the delivery of activities that are needed for children and communities in the school)

- 5.4 One of the prime objectives of the School Estates Strategy at National level is to have all schools as Category A or B for Condition. Appendix 3 contains a summary of the School Estate Management Plan progress in this respect from a baseline of 2003 and forecasted to 2017 based on the current approved School Estate Management Plan. The dates reflect the submission dates of historic Core Facts returns and estimated dates for future returns.
- 5.5 In setting the order of primary schools for major refurbishment it was proposed that the condition and suitability ratings be used as the main determinants. This was agreed by the Education and Lifelong Learning Committee at its meeting of 7 September 2010. It should be noted that whilst the ratings are put into bands each school has a precise percentage score for both condition and suitability and it is therefore possible to rank schools in order. As elements deteriorate or are renewed ratings will change and therefore it should also be noted that the order originally set may, over time, cease to be appropriate. The Committee also agreed that, as recommended in the report, the order be reviewed every three years over the life of the programme.
- 5.6 It is proposed that only the next two primary school refurbishments be agreed at this time given that this will take the programme to summer 2016 with the next planned refurbishment commencing in summer 2017. The proposal are:
- Ardgowan Primary School – Refurbishment July 2013-July 2014 (Condition Rating C / Suitability Rating C – only property with C for both).
  - St Patrick’s Primary School – Refurbishment July 2015-Oct 2016 (Condition Rating C / Suitability Rating B (with lowest % score of remaining properties in C condition))

Refer to summary of existing condition and suitability contained in Appendix 1.

A full update of the condition surveys is scheduled for 2013/14 and a review of condition and suitability will be carried out mid 2015 which will form the basis of a future report to Committee on the prioritisation of the refurbishment of the remainder of the Primary School Estate.

## **6.0 PRIMARY SCHOOL REFURBISHMENT PROGRAMME - ACCELERATION**

6.1 It is a primary aim of the School Estate Strategy to lift all schools out of condition C as quickly as possible. It is proposed to do this, in part, by utilising the Lifecycle fund contained within the funding model. Thereafter the lifecycle fund will continue to be used to improve the condition of schools in order that condition improves over time even without a full refurbishment and that major repairs are carried out at the appropriate time.

6.2 As the Primary School Refurbishment programme spans for a further 15 years there are a number of schools that will not receive their significant investment in the short/medium term. It is therefore proposed to accelerate aspects of the Primary School Refurbishment Programme to allow those schools to benefit from partial upgrading / refurbishment works in the short/medium term i.e. over the next 2 financial years 2012/13 and 2013/14.

6.3 The Education and Lifelong Learning Committee at its meeting of 6 September 2011 approved the use of the 2011/12 lifecycle fund to address the re-roofing of Kilmacolm Primary School which will result in the overall condition rating being raised from "C" to "B". It is proposed to use the future Lifecycle fund allocations as follows:

- 2012/13 - Replacement windows, doors and curtain walling at Moorfoot Primary School.
- 2013/14 – Electrical rewire (power and lighting) at St Mary's Primary School.

6.4 The School Estate Management Plan includes allowances for the future refurbishment of the remainder of the retained Primary School Estate which has not already received a major refurbishment/new build. The basis for the capital expenditure model is the cost plan produced for each project. These cost plans include allowances for a comprehensive refurbishment of each building element based on the cost of previous projects. The School Estate Team has prepared outline proposals indicating a proposed scope of accelerated works (Appendix 2). The proposals assume that the £1.45 million funding required will be brought forward into the financial years 2012/13 and 2013/14 from the future funding model allocations and, in the view of the Technical Officers, minimises the amount of abortive spend. It is also believed that this work can be practically delivered over the next two years with the bulk of the work being carried out over school holiday periods. The future refurbishment cost plans have been adjusted to reflect the accelerated programme with a revised funding model prepared (Appendix 4). The proposed works are summarised below:

- Toilet Refurbishment at 5 schools.
- External doors replacement at 2 schools.
- Playground improvements at 2 schools.
- Grass pitch improvement at 1 school.
- Roofing works at 1 school.
- Dining area extension at 1 school.

6.5 It is also proposed that £500k is allocated from the School Estate Management Plan earmarked reserve to carry out decoration and floor coverings work across 7 schools over 2012/13 and 2013/14. Allowances have been made for works subject to a detailed room by room survey of condition.

## **7.0 FINANCIAL IMPLICATIONS**

7.1 The School Estate funding model, in order to provide a realistic cashflow, has allocated funding to the schools still to be fully refurbished. The Council has not as yet agreed a specific priority order for the projects and order set out in previous approved reports on the funding model have been noted as indicative. The proposed order of refurbishment as outlined in this report is in line with the previously approved funding model.

7.2 The School Estate Team in conjunction with the Chief Financial Officer have considered a proposed scope of accelerated works whilst working within the criteria of minimising abortive spend and maintaining overall SEMP affordability. The following is proposed:

- a) Use of existing life cycle fund – Over 2012/13 and 2013/14 there is £696k available. Refer to item 6.3 above.
- b) Advance works already factored into the SEMP – Proposed to advance specific capital works with a value of £1.45 million from future years and have these carried out over 2012/13 and 2013/14. This will have a minor impact on the overall cashflow. Refer to revised funding model (Appendix 4).
- c) Revenue Works – Proposed to allocate £500k from the SEMP earmarked reserve to carry out decoration/floor coverings work etc. over 2012/13 and 2013/14. This can be contained in the overall EMR and the outstanding balance still remains over £1.0 million.

The above proposals result in a package of £2.646 million of works over 2012/14 across 8 Primary Schools (refer to Appendix 2 for details).

## **8.0 CONSULTATION**

8.1 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.

8.2 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.

## **9.0 EQUALITIES**

9.1 There are no equalities issues.

## **10.0 LIST OF BACKGROUND PAPERS**

- 10.1
- Inverclyde Council School Estate Management Plans 2004 / 2007 / 2010
  - Condition Survey Reports
  - Suitability Survey Reports
  - Condition Core Fact Guidance – Scottish Government 2007
  - Suitability Core Fact Guidance – Scottish Government 2008

Appendix 1

School name	School Type	Overall Condition of school	Condition Scores (surveys 1st Q 2009)	SUITABILITY	Suitability Scores
Ardgowan Primary School	Primary	C	54.75	C	60.5
Gourock Primary School	Primary	A	95.25	B	76.5
Kilmacolm Primary School	Primary	C	52.75	B	72
Lady Alice Primary School	Primary	B	66	B	67.5
Moorfoot Primary School	Primary	C	56.25	B	73
St John's Primary School	Primary	B	67.75	C	57.5
St Mary's Primary School	Primary	B	62.25	B	71
St Ninian's Primary School	Primary	B	74.25	B	74.5
St Patrick's Primary School	Primary	C	56.25	B	71.5









**School Estate - Earmarked Reserves**

Feb-12

Updated Version

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Earmarked Reserve b/fwd	1,786	3,994	1,964	1,472	2,448	1,671	1,788	1,669	2,007	2,096	2,079	2,094	2,051	1,987	1,857	1,898	1,781	1,668	1,855	2,147	2,440	
Available Savings added (a)	1,680	2,483	3,301	4,197	4,480	4,661	4,754	4,754	4,754	4,754	4,754	4,754	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819
Extra Financing (b)	3,250	3,280	3,410	3,310	3,310	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550
Prudential Schools Loan Charges (c)	-1,747	-2,040	-2,142	-2,700	-3,785	-4,138	-4,158	-4,163	-4,168	-4,173	-4,178	-4,183	-4,188	-4,193	-4,198	-4,204	-4,209	-4,214	-4,219	-4,224	-4,229	-4,229
Receipts- Prudential Funding (d)	0	0	0	-128	-401	-517	-517	-517	-517	-517	-517	-517	-517	-517	-517	-517	-517	-517	-517	-517	-517	-517
Unitary Charge Payment (e)	-360	-2,991	-8,244	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042	-9,042
Unitary Charge Inflation Element (f)	0	0	-60	-238	-490	-753	-1,025	-1,309	-1,604	-1,910	-2,229	-2,561	-2,905	-3,265	-3,638	-4,026	-4,430	-4,850	-5,296	-5,740	-6,212	-6,212
Unitary Charge Funding from Inflation Contingency	0	0	60	238	490	753	1,025	1,309	1,604	1,910	2,229	2,561	2,905	3,265	3,638	4,026	4,430	4,850	5,286	5,740	6,212	6,212
One Off Costs (g)	-204	-475	-1,162	-283	-993	-224	-323	-269	-305	-397	-352	-386	-468	-537	-314	-476	-456	-96	0	0	0	0
Extra Revenue Repairs (h)	-273	-344	-49	-474	-366	-230	-263	-271	-279	-288	-296	-305	-314	-324	-333	-343	-354	-364	-375	-389	-401	-401
Cash Flow Deficit Funding (i)	0	0	0	0	-76	-39	-16	0	0	0	0	0	0	-2	0	0	0	0	-45	-20	0	0
Unitary Charge RSG	254	1,577	5,394	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096
Written Back to General Reserves	-602	-3,500	-1,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Earmarked Reserve c/fwd	3,994	1,964	1,472	2,448	1,671	1,788	1,869	2,007	2,096	2,079	2,094	2,051	1,987	1,857	1,888	1,781	1,668	1,668	1,855	2,147	2,440	2,716

(a) Per figures 11/12 Budget - includes additional Clydeview savings and Port Glasgow Denominational PS remaining open. Full review of Janitors and Cleaning savings for new rates included.

(b) Per 2009/10 budget and £1 million for Shared Campus approved Feb 2009 plus £160k for St Laurences refurbishment and compensating loan charges for receipts transferred to the Capital Fund. Saving of £100k from 2012/13 & further £340k from 2014/15.

(c) Assumes Inverclyde Academy - Newark Primary, Shared Campus and St Laurences refurbishment are Prudentially funded. Uses a pool fund rate of 4.5% from 2011/12.

(d) Assumes 30 year write off period of £9,474 million at 4.5% for resultant investment.

(e) Based on Actual Unitary Charge at Jan 2011 RPI of £8,842 million plus £200k contingency.

(f) Base at Jan 2011 RPI. Assumes 2.7% annual inflation (4% RPI discounted by factor of 1.5)

(g) After 2026/27 one-off costs cease. Includes £27k for IT Technician in 2013/14.

(h) Increased Revenue Repairs. £500k added for Primary School Repairs - £250k in 2012/13 and £250k in 2013/14.

(i) Assumes 2.0% Internal Borrowing Rate on any short term cashflow funding of capital investment. Based on Capital contribution being frozen at £4.8 m from 2010/11.

(j) £1.0 million write back to General Reserves advanced from 2012/13 to 2011/12.

