
Report To:	Education & Communities Committee	Date:	8 September 2015
Report By:	Head of Education and Chief Financial Officer	Report	EDUCOM/66/15/EM
Contact Officer:	Eddie Montgomery	Contact No:	01475 712472
Subject:	Education Capital Programme 2015 – 2018 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 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 November 2014 Committee and covers the period 2015/18.
- 2.3 Overall the Committee is projecting to contain the costs of the 2015/18 Capital Programme within available budgets.
- 2.4 Expenditure at 31th July is 34.57% of 2015/16 approved budget. No slippage is being reported.
- 2.5 Appendix 1 contains details of the projected spend and phasings for the Capital Programme over the 3 years of the current programme.
- 2.6 Officers are finalising an Early Years Estate Management Plan and this is indicating that extra resources will be needed to fully deliver the requirements.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the progress on the specific projects detailed in Appendix 1.
- 3.2 That the Committee approve delegated authority to the Head of Legal and Property Services to agree, execute and deliver the Design and Build Development Agreement for the Kilmacolm Primary School project as detailed in 8.2 below provided the cost is within the budget allocation for the project.

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 of 4th November 2014.
- 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 remainder of the programme runs for more than 12 years. The Education Capital Programme detailed in this report shows details of projects which will incur expenditure up to March 2018.

5.0 ARDGOWAN PRIMARY SCHOOL REFURBISHMENT

- 5.1 Works commenced on site on 14th April 2014 to complete 13th April 2015. As previously reported to Committee the project had experienced delay and a revised handover date of Sunday 17th May had been set that would have seen the school operational on Thursday 21st May 2015. As members will be aware, the project was further delayed due to the partial collapse of an existing retaining wall on site. A separate report confirming use of powers delegated to the Chief Executive to progress the necessary reinstatement of the wall is included on the agenda of this Committee and includes further detail on the issue. All stakeholders were informed of the further delay and exceptional closure days were revised and agreed via the Scottish Government as Monday 17th, Tuesday 18th and Wednesday 19th August with first day of operation Thursday 20th August 2015. The works have now been completed and the school is operational with occupation having taken place on the dates above.

6.0 ST JOHN'S PRIMARY SCHOOL REFURBISHMENT

- 6.1 Works commenced on site on 1st December to complete 10th August 2015. The project has experienced delay on site with two further communications issued to stakeholders providing an update and revised dates for completion in the period since the last Committee. The delay is predominantly due to poor weather conditions and the particularly poor summer experienced in 2015. This has impacted progress of a number of trades including the groundworks and superstructure early in the contract for the extensions, and the external insulation render in the later stages. The impact of delay to the external insulation render affected the ability to remove perimeter scaffolding which has subsequently impacted on the finishing trades and external works. Revised exceptional closure days have been agreed via the Scottish Government as Monday 28th, Tuesday 29th and Wednesday 30th September with first day of operation planned Thursday 1st October 2015.

7.0 ST PATRICK'S PRIMARY SCHOOL

- 7.1 The March 2014 Education & Communities Committee approved the progression of a new build for St Patrick's. The procurement of the project is being progressed via hub West Scotland Ltd. and is being managed by the Client Services Team. In the period since the previous Committee there has been further update and communication to stakeholders in relation to the impact of the delay on the Ardgowan Primary School project. The planned decant of St Patrick's PS to the former Sacred Heart building in June was delayed to August, with revised exceptional closure days agreed via the Scottish Government as Monday 17th, Tuesday 18th and Wednesday 19th August and

first day of operation in the decant facility Thursday 20th August 2015. The transfer has taken place and the school is now operating from the decant facility. The construction project achieved financial close on Monday 3rd August with possession of the site by the main contractor on Monday 10th August. The Contractor is now progressing soft strip and preparations for demolition of the existing building which should be substantially completed by the end of September. Groundworks for the new building will follow thereafter. The programme was re-worked in conjunction with the main contractor to account for the delay in handing over the existing building and remains as previously reported with anticipated completion in October 2016 and transfer to the new facility after the October holiday period.

8.0 KILMACOLM PRIMARY SCHOOL REFURBISHMENT

8.1 The Kilmacolm Primary School project has been advanced as part of the acceleration of the Primary School programme. The original proposals involved the use of temporary modular accommodation on site and phased refurbishment. The November 2014 Committee approved the decant strategy for the project following the outcome of a parental consultation exercise. The enabling works project for provision of temporary modular accommodation within the school grounds to serve the Nursery Class during the construction works is progressing with foundations and service connections substantially complete. The units will be put in position over the September holiday period with final internal works following on and the unit completed in advance of the planned decant in October. The procurement of the main project is being progressed via hub West Scotland Ltd. and is being managed by the Client Services Team. Regular meetings continue with hub West Scotland as the project is progressed through the hub stages. Further survey work within the existing building and grounds was undertaken over the summer holiday period to inform the detail design. The Architectural Stage E proposals are currently being progressed with detailed planning application now approved. The target programme remains as previously reported with anticipated construction start in October 2015 to complete by October 2016 subject to approval of 8.2 below.

8.2 As outlined above the Kilmacolm PS project is currently progressing towards completion of hub stage 2 and is progressing through market testing towards financial close. Approval to sign up as participants in hub West Scotland was obtained at the Policy and Resources Committee of March 2013. Following that approval the Council signed the Territory Partnering Agreement (TPA) and the Participants Agreement. Following approval to progress the Kilmacolm project through the hub delivery model the project has been progressing through the stages and regular updates have been provided to Committee. The current programme for the project now requires Committee approval to move to financial close on the project and enter into a Design and Build Development Agreement with hub West Scotland Ltd. (and related documents) for the design and construction of the refurbishment of Kilmacolm Primary School. The Committee is requested to:

- Approve the execution, delivery and performance of the Design and Build Development Agreement with hub West Scotland Ltd. (and any documents incidental and/or relative thereto) in respect of the Kilmacolm Primary School Project; and
- Grant delegated authority to the Head of Legal and Property Services to agree, execute and deliver the Design and Build Development Agreement (and any documents incidental and/or relative thereto) in respect of this project.

9.0 PRIMARY SCHOOL BLAES PITCH UPGRADING

9.1 Funding for the above was allocated in 2014/15 to address upgrading of blaes pitches within three primary schools. An update on each is included below:

- Whinhill PS MUGA – works completed summer 2014, now operational.
- St Ninian's PS MUGA – works complete as of 14th August 2015, now operational.
- Kilmacolm PS Pitch/MUGA – being taken forward as part of the main refurbishment project covered in 8.0 above.

10.0 PRIMARY SCHOOL MULTI-USE GAMES AREAS (MUGAs)

10.1 Funding for the above was allocated as part of the Council's budget setting exercise early in 2014. The St John's PS MUGA is included in the main contract covered in 6.1 above. The remaining seven Primary School MUGAs have been progressed although slightly behind programme due to the poor weather experienced over the summer holiday period. Final snagging and line markings are being addressed with handover planned by the end of W/C 17th August.

10.2 Following the report to the March Committee and the verbal update provided on the projected underspend within the MUGA budget due to the competitive tender returns, the Committee requested that a report be prepared on options for MUGA provision at Gourrock and Moorfoot Primary Schools. Feasibility work has now been undertaken and a separate report is included on the agenda of this Committee.

11.0 DEMOLITION WORKS

11.1 Former Greenock Academy – works were initially delayed on site due to discovery of additional areas of asbestos within some areas of the building which have now been removed. During the final stages of demolition however, 1m deep random rubble fill was encountered beneath the concrete floor slab at the South end of the site with a localised area of this fill suspected to be contaminated with asbestos cement debris. The final testing of the material is awaited but, should it be confirmed as asbestos containing material, all rubble in this localised area (potentially some 800 cubic metres) will have to be removed from site and dealt with as contaminated waste. Initial indications are that the asbestos and rubble are the remnants of a previous building on site (likely including an asbestos cement roof) which has been demolished and used as fill beneath the new floor slab. No site investigation or asbestos survey would have detected this. It is estimated that the costs associated with removal of the contaminated material could extend to circa £420K. Additional funding has been sought as part of the use of free reserves and this was considered initially by the Corporate Management Team and then by the Members Budget Working Group with a view to final approval at the September Members Budget Working Group and thereafter by the September Policy & Resources Committee.

11.2 Former St Stephen's HS – following the November 2014 Committee approval for the use of the building as decant accommodation for Kilmacolm PS during its refurbishment, the demolition is now scheduled for early 2017. Partial stripping out and securing works in the areas of the building not planned for temporary use have now been completed.

12.0 EARLY YEARS PROJECTS

12.1 Following the update reports to Committee on the implementation of 600 hours of Early Learning and Childcare, the Client Services Team have worked in conjunction with the Early Years Service to develop a prioritised list of 2015/16 projects. The list of projects is as previously reported with updates on current position included below:

- Binnie Street Children's Centre – Remodelling to introduce provision for 2-3 years olds. Works were taken forward during the summer holiday period and are now substantially completed.
- Larkfield Children's Centre – Remodelling and refurbishment to comply with new legislation. Works commenced on site in August to complete October 2015. The Service was temporarily decanted to the former Garvel Deaf Centre building and within one of the modular units at the former Sacred Heart PS decant facility where it will operate from for the period of the works.
- Rainbow Family Centre – Minor adaptations to increase 2-3 year olds provision. Works were taken forward and completed during the Easter 2015 holiday period.
- Wellpark Children's Centre – Minor adaptations to increase 2-3 year olds provision. Works were taken forward during the summer holiday period and are now complete.

12.2 The Client Services Team in conjunction with the Early Years Service and Technical Services have progressed feasibility studies on the works required across the Early Years Estate in connection with new legislation, extended/additional provision, and the current capital funding allowances for refurbishment. A separate report is included on the agenda of this Committee and provides an updated position on the investment strategy for the Early Years estate.

13.0 ST FRANCIS PRIMARY SCHOOL EXTERNAL WORK

13.1 The SEMP model contains an allocation to address upgrading of the external areas at St Francis Primary School as this element was not addressed as part of the refurbishment project carried out and completed in 2004. The May Committee approved the issue of tenders which were issued and returned within budget. The works commenced on site in June and were substantially completed by 14th August. Some further drainage attenuation and lighting upgrade work is planned to follow over the next month or so to complete the works and this will be co-ordinated with the school and scheduled for holiday periods or non-school hours as far as practicable.

14.0 IMPLICATIONS

Finance

14.1 The expenditure at 13th August 2015 is £2.247m from a budget of £6.5m. This is expenditure of 34.57% of the approved budget after 33.33% of the year. No slippage is currently being reported. Following review of the current projects and the likely spend profiles revised profiles are being reported on the following:

- Greenock Academy Demolition – minor increased spend in the current year due to cost increase for issues note in 11.1 above.

- Ardgowan PS Refurbishment & Extension – increased spend in the current year due to retaining wall works noted in 5.1 above.
- St Francis PS External Works – decreased spend in the current year due to tenders returned under budget (balance returned to contingency in future years).
- Primary School MUGAs – decreased spend in the current year due to projected underspend as noted in 10.0 above. Potentially could be recovered if projects noted in 10.2 are approved for progression.

14.3 The current budget position reflects the following:

- November 2014 review of the School Estate Funding model.
- Grant funding received in respect of implementation of the Children & Young People Bill (further £595K added as November announcement for 2015/16) and Free School Meals (£60K added as November announcement).

The current budget is £33.883m, made up of £30.180m SEMP Supported Borrowing, £1.930m Non-SEMP Supported Borrowing and £1.773m Prudential Borrowing. The Current Projection is £33.883m.

14.4	Education & Communities	Approved Budget £000	Current Position £000	Overspend / (Underspend) £000
	Total School Estate	31,953	31,953	-
	Total Non School Estate	1,930	1,930	-
	Total	33,883	33,883	-

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

Legal

14.6 There are no legal issues.

Human Resources

14.7 There are no human resources issues.

Equalities

14.8 Has an Equality Impact Assessment been carried out?

<input type="checkbox"/>	YES (see attached appendix)
<input checked="" type="checkbox"/>	NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required. See below.

Individual projects consider DDA issues as part of the development of the detailed

designs and Building Standards approval (where required). There are no equalities issues.

Repopulation

- 14.9 The regeneration works outlined in this report should contribute to retaining and increasing the population within the area. There are no repopulation issues.

15.0 CONSULTATION

- 15.1 There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, HR and Communications has not been consulted.
- 15.2 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.

16.0 LIST OF BACKGROUND PAPERS

- 16.1 Education Capital Programme Technical Progress Reports August 2015. (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 & COMMUNITIES

Project Name	1	2	3	4	5	6	7	8	9	10	11
	Est Total Cost	Actual to 31/3/15	Approved Budget 2015/16	Revised Est. 2015/16	Actual to 13/08/15	Est. 2016/17	Est. 2017/18	Future Years	Start Date	Original Completion Date	Current Completion Date
	£000	£000	£000	£000	£000	£000	£000	£000			
SEMP Projects											
Demolish Greenock Academy	326	221	71	95	37	10	0	0	Jan-15	-	Aug-15
Demolish St Stephens HS	500	3	0	0	0	209	288	0	Jan-17	-	Jun-17
Ardgowan PS - Refurbishment & Extension	6,176	5,443	333	674	674	59	0	0	Apr-14	Apr-15	Aug-15
St Patrick's PS - New Build	7,012	123	1,975	1,975	358	4,714	200	0	Aug-15	-	Oct-16
St John's PS - Refurbishment & Extension	2,796	869	1,675	1,675	882	252	0	0	Dec-14	-	Sep-15
Kilmacolm PS - Refurbishment	4,270	56	958	958	2	3,156	100	0	Oct-15	-	Oct-16
Early Years (C&YPB - 600Hrs + 2Yr Olds)	1,431	124	314	314	26	993	0	0	Apr-14	-	Mar-17
Early Years Establishments - Refurbishment	1,331	0	0	0	0	1,264	67	0	Apr-16	-	Mar-17
St Francis PS - External Works	240	11	327	162	21	67	0	0	Jun-15	-	Aug-15
Free School Meals Capital Grant	60	0	60	60	10	0	0	0	Apr-15	-	Mar-16
Lifecycle Fund	2,848	378	210	210	19	1,132	1,128	0	Apr-14	-	Mar-18
Balance of Contingency	271	0	65	48	0	158	65	0			
Future Projects *	4,610	0	0	0	0	166	1,748	2,696			
Complete on site	585	0	0	0	0	585	0	0			
TOTAL SEMP	32,456	7,228	5,988	6,171	2,029	12,765	3,596	2,696			
Non-SEMP Projects											
Whinhill/St Ninians PS - MUGA/Blaes Pitch Upgrades	625	504	26	81	0	40	0	0	Apr-14	-	Aug-15
Primary School MUGA's - Various	802	49	486	248	218	505	0	0	Apr-14	-	Apr-16
TOTAL non-SEMP	1,427	553	512	329	218	545	0	0			
TOTAL ALL PROJECTS	33,883	7,781	6,500	6,500	2,247	13,310	3,596	2,696			

* The Future Projects allowance includes expenditure on projects within the reporting period only. The SEMP model includes allowances for the future refurbishment of Moorfoot PS, St Mary's PS, Lady Alice PS, St Ninian's PS and works to Gourrock PS.