
Report To:	Education & Communities Committee	Date: 3 November 2015
Report By:	Head of Education and Chief Financial Officer	Report No: EDUCOM/85/15/EM
Contact Officer:	Eddie Montgomery	Contact No: 01475 712472
Subject:	Review of School Estate Funding Model 2015	

1.0 PURPOSE

- 1.1 The purpose of the report is to update the Committee on the current position of the School Estate Funding Model and seek approval of the revised model.

2.0 SUMMARY

- 2.1 The Education and Lifelong Learning Committee at its meeting of 18 June 2008 approved a revision of the School Estate Management Plan (SEMP). One of the recommendations of that report was that the Plan and Funding Model would be reviewed annually and reported to Committee. This report provides Committee with the 2015 review.

- 2.2 The 2014 review of the SEMP was reported to the November Education and Communities Committee. Since the model was approved in November 2014 the following progress has been achieved:

- Ardgowan Primary School refurbishment and extension was completed in August 2015.
- St John's Primary School refurbishment and extension was completed in September 2015.
- New build St Patrick's Primary School project commenced on site in August 2015 to complete October 2016.
- The refurbishment of Kilmacolm Primary School is programmed to start on site in October 2015 to complete October 2016.
- Substantial investment in Multi-Use Games Areas (MUGAs) and upgrading of blaes pitches has been taken forward across the estate with the majority complete by August 2015.
- External improvement works at St Francis Primary School were completed over the 2015 summer holiday period.

Further detail of current project work is included in the Capital Report also being presented to this Committee.

- 2.3 This report summarises the internal and external factors which affect the Plan and outlines the methodology used to review the financial model. A revised model is attached as Appendices 1(a)-(d).

- 2.4 Overall the SEMP remains affordable with a financial completion of 2026/27 and with all

major projects completed by 2025/26. The overall position is slightly improved upon the October 2014 review which reported all major projects complete by 2026/27.

3.0 RECOMMENDATIONS

- 3.1 That the Committee approve the revised Funding Model and the associated changes/revisions highlighted in sections 4.0 and 5.0.
- 3.2 That the Committee note the summary of the current condition and suitability of the properties as contained in Appendix 3 and approve the proposed programme for the primary school refurbishment to 2020 as detailed in 4.5.
- 3.3 That the Committee note that financial implications of the revised model will be built into the Council's revised Financial Strategy due to be presented to the Council in December.

Ruth Binks
Head of Education

Alan Puckrin
Chief Financial Officer

4.0 REVIEW OF THE MODEL – EXTERNAL FACTORS

4.1 Inflation

At the time of the last review of inflation in October 2014, the Building Cost Information Service view was that tender prices would rise as contractors started to cope with rising workload and the predicted recovery in new work output.

The BCIS August 2015 forecast view is much the same with relatively moderate increase in input costs over the first year of the forecast resulting in an increase in tender prices of just over 4%. Moving forward, with workloads continuing to grow, and with rising pressure from input cost increases, tender prices are expected to rise between an annual 4.5% and 6% over the remainder of the 5 year forecast period. The level of tender prices is predicted to be in the order of 33% higher than the pre-recession peak by 2020.

The School Estate Management Plan has progressed to a stage where only four major refurbishment projects and one part refurbishment/extension project remain to be committed.

The table below notes current inflation allowances, forecasts and revised allowances:

Year	Current inflation allowance	BCIS 5 Year Forecast (Sept 15)	Revised inflation allowance
2015/16	5.00%	4.20%	5.00%
2016/17	4.80%	5.80%	5.80%
2017/18	4.95%	4.80%	4.80%
2018/19	5.30%	5.20%	5.20%
2019/20	3.00%	4.70%	4.70%
2020/21 & Future	3.00%	NF	3.00%

NF – No Forecast

4.2 Capital Receipts

As part of the Financial Strategy the Council agreed that all SEMP receipts would be put in the Capital Fund and the SEMP would receive £9.025 m of Prudential Borrowing to compensate. As a result the amount and timing of capital receipts is no longer a factor in the SEMP Funding model. The 2015 model remains unchanged from this position.

4.3 Scottish Government - Scotland's Schools for the Future Programme (SSFF)

The October 2014 review of the model included the following amounts in respect of projected project specific grant income:

- £5.014 million in connection with the Scotland's Schools for the Future Phase 2 grant award for Craigmarnock School within the new Port Glasgow Community Campus. This reflected the final position in respect of that grant award including the additional recovery on the provisional element of the grant linked to the project contingency which was reviewed on completion of the project.
- £3.273 million in connection with the Scotland's Schools for the Future Phase 3 grant award for St Patrick's Primary School which was estimated on a base figure of £3.005 million with an allowance for inflation pending progression of the project to financial close.

The October 2014 review noted that £100 million funding for phase 4 of the Scotland's Schools for the Future programme had been announced in June 2014 and a further £230

million was announced in the October 2104 budget statement with a view to allocating to local authorities in November 2014. At that time there had been no formal contact with the Scottish Futures Trust on how this could be allocated. Following discussions with the Scottish Futures Trust a letter was received from the Scottish Government on 10th December 2014 indicating their intention to provide funding support for the Kilmacolm Primary School project which was scheduled for progression during the current spending review period. Since that initial contact there have been well publicised issues in respect of new public accounting laws (European System of Accounts 2010 - ESA 10) and the classification of projects and balance sheet treatment potentially impacting Scotland's public debt figure and debt raising capabilities. This has impacted on a large number of projects with the Scottish Government unable to confirm funding for any Phase 4 projects until the issues have been addressed through the Office for National Statistics (ONS). A letter was issued to the Scottish Government requesting clarification of the position on funding and a response prior to proceeding to financial close citing the various reasons why the Council could not delay committing to the Kilmacolm Primary School project (see Appendix 2). There has been no formal response to this letter to date. Updates provided by the Scottish Futures Trust on the anticipated timescale for resolution of the ESA10 position indicate that it will be November 2015 at the earliest before the position is clarified.

The October 2015 model has been updated to reflect the following position regarding projected project specific grant income:

- St Patrick's PS grant allowance increased to £3.423 million. This reflects the confirmed funding position from the SFT as at 12th May 2015 with the base funding figure inflated from Q2 2012 to the tender date, which for hub projects is deemed to be the Stage 2 submission date, of Q2 2015 in line with the St Patrick's project development programme.
- An allowance of £1 million has been made meantime for anticipated grant in connection with the Kilmacolm Primary School project pending confirmation of the funding position by the Scottish Government. It should be noted however that no figures have been provided to date indicating the level of grant support potentially available and there is a risk that this could be affected by the financial impact of the delay in connection with the ESA10 issue across the multiple projects that constituted Phase 4 of the Scotland's Schools for the Future programme.

4.4 Scottish Government – Children and Young People Act / Free School Meals Grants

The Scottish Government has allocated Capital funding in connection with the implementation of the Children and Young People (Scotland) Act 2014 and the commitment to a minimum provision of early learning and childcare. The 2014 model included £1.461 million in respect of capital grant received for 2014/15 and 2015/16 as confirmed at that time. The 2015 model has been updated to reflect the current level of grant funding received which totals £2.056 million to date up to 2015/16. Clarification is being sought via the Scottish Government as to whether or not there will be a further distribution of capital funding in connection with the implementation of the act in future years but no response has been received to date.

The Scottish Government has also allocated limited capital funding in connection with providing free school meals to every Primary 1-3 pupil which came into effect on 5th January 2015. Inverclyde's capital allocation for 2015/16 is £60K which has been included in the 2015 model.

4.5 Scottish Government Capital Grant

The October 2013 review included a number of changes including an additional allocation of Prudential Funding in year 2013/14 which was possible as a result of the Council borrowing at low interest rates allowing the Chief Financial Officer to reduce the cost of Loan Charges charged to the SEMP by approximately £450,000 per year from 2014/15.

This allowed a £500k annual reduction in the £4.8 million capital allocation within the model to £4.3 million a year from financial year 2015/16. This was also the position in the 2014 model and the 2015 model remains unchanged from this position.

5.0 REVIEW OF THE MODEL – INTERNAL FACTORS

5.1 Overview

There have been a number of changes since the October 2014 review. Changes are categorised as:

- reviewing / adjusting existing information to reflect changes in circumstances and additional information becoming available
- changes to the strategy resulting in changes to the scope of projects being undertaken.

These adjustment headings are described in more detail below.

5.2 General Updating of Model

The Capital model has been brought up to date to reflect actual expenditure over the past year (2014/15).

5.3 Project Cost Plans

There have been a number of changes affecting cost plans for current projects and future projects which have been reported to Committee over the course of the year:

Current Projects

- Ardgowan PS Refurbishment – January 2015 Committee approved the allocation of SEMP lifecycle budget to address essential roofing and stone works not originally included in the contract scope. The September 2015 Committee also noted the use of emergency powers to deal with the reinstatement of the retaining wall at Ardgowan PS with additional funding allocated from the capital programme contingency and SEMP lifecycle fund allowances.
- Kilmacolm PS Refurbishment – November 2014 Committee approved the progression of the Multi-Use Games Area (Non SEMP funded) as part of the refurbishment project. The May 2015 Committee approved the allocation of additional funding from the Children and Young People Grant to address the nursery element of the project and additional funding from the Primary School Multi-Use Games Area Non SEMP budget.
- St Francis PS External Works – Tenders were returned below budget with the balance returned to the capital programme contingency.
- Demolition of former Greenock Academy – January 2015 Committee noted use of emergency powers to accept the tender for the demolition with use of part capital programme contingency and reduction in allowance for St Stephen's HS demolition. The November 2015 Capital Programme Progress report also notes the addition of £420K from free reserves to deal with the additional asbestos removal works required.
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- Demolition of former St Stephen's HS – November 2015 Capital Programme Progress report also notes that, following the sale of the site to River Clyde Homes, provision has been made in the 2014/15 accounts reflecting the value of the demolition project.

It should be noted that, as with all construction contracts, there remains a risk of cost increases until project completion is achieved and/or final account negotiations are concluded.

Future Projects

The work content and scope of the remaining projects have been reviewed and remain unchanged from the 2014 model position. The timing of future projects has altered and this is covered in section 5.4 below and summarised in Appendix 3. It should also be noted that a review of the Early Years Estate is on-going and there is currently an allowance in the model to address the partial upgrading of early years establishments. Until the review is completed there is no firm detail of the scope and which properties will be involved. The 2014 model position with funding allocated across 2015/16 and 16/17, to align with the Early Years Children and Young People grant funding received, has been retained meantime.

5.4 Review of Condition/Suitability and Order of Priority of Remaining SEMP Projects

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. It also agreed that a review of the schedule be undertaken every three years thereafter through the life of the programme. The last review of prioritisation of the primary school refurbishment programme was approved at the March 2012 Education & Lifelong Learning Committee where Ardgowan and St Patrick's Primary Schools were identified and agreed for progression.

A Core Facts return on the School Estate is submitted annually to the Scottish Government with the most recent return submitted on 15th May 2015. Condition is based on the most recent full Condition Survey carried out by Watts Group PLC throughout April 2014 and updated by the Client Services Team. Suitability is based on suitability surveys carried out by the Client Services 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.

It should be noted that, whilst all of the remaining schools scheduled to receive investment are rated B for both Condition and Suitability, each school has a precise percentage score for both 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.

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 2020 with the next planned refurbishment commencing in Summer 2017. The proposals are:

- Moorfoot Primary School Refurbishment – Jul 2017 to Jul 2018.
- St Ninian's Primary School Refurbishment – Apr 2019 to Jul 2020.

Refer to the summary of remaining SEMP projects contained in Appendix 3.

5.5 Review of One-Off Costs

Appendix 1(b) shows the one-off revenue costs associated with the SEMP. Generally these are the costs associated with decanting schools to temporary accommodation and transfer to their new or refurbished school, i.e. pupil transport to decant schools and the cost of maintaining and securing empty buildings. Schools also accumulate significant amounts of unwanted resources and the cost of disposing of these is included in the one-off revenue costs.

A review of the one-off costs has been carried out and there have been some changes as noted below to reflect the decisions taken over the last year and the recommendations of reports being presented to this Committee:

- St Columba's HS - allowance added for additional transport costs in with maintaining free transport for pupils in the Branchton, Braeside, Grieve Road, Bow Road and Larkfield areas for the academic year 2015/16 i.e. until June 2016 pending review of the current School Transport Policy.
- Remaining project one-off costs were reviewed and adjusted to reflect the revised timelines as outlined in section 5.4 and Appendix 3.
- St John's PS – profile and costs updated to reflect Non-Domestic Rates costs and rent payments to River Clyde Homes following sale of the site.
- Kilmacolm PS - profile and costs updated to reflect Non-Domestic Rates costs and rent payments to River Clyde Homes following sale of the site.
- Former Sacred Heart PS – profile adjusted for planned works in connection with temporary securing between decants.
- Staffing costs included for the extended period of the School Estate Quality Improvement Officer providing support to the SEMP.

5.6 Review of Savings

The available savings were reviewed against the 2014/15 actual expenditure and latest projected expenditure for 2015/16. The 2015 model remains unchanged from this review. It should be noted that there are no further significant savings projected until the decant facility at the former Sacred Heart Primary School is scheduled to be demolished late 2024.

5.7 Specific Changes

There have been a number of changes since the approval of the October 2014 model:

- Project scope, cost and funding changes to committed projects outlined in section 5.3 above.
- Project programme changes to future projects arising from the review of condition and suitability outlined in section 5.4 above and a more efficient use of the existing decant facility.

5.8 Loan Charges

As noted in the October 2013 review, as a result of the Council borrowing at low interest rates, the Chief Financial Officer was able to reduce the cost of Loan Charges charged to the SEMP by approximately £450,000 per year from 2014/15. In turn this allowed a similar reduction in the General Fund contribution to the SEMP as noted in 4.4. This was the position in the 2014 model and the 2015 model included the same reduction. It should also be noted that the 2015 model includes an updated Loan Charges position reflecting the saving of £200,000 approved by the Policy & Resources Committee of 22 September 2015.

6.0 **IMPLICATIONS**

Finance

6.1 Summary

The model remains affordable. The earmarked reserve summary (Appendix 1(c)) shows there is a positive balance carried forward each year with a maximum balance of £2.942 million in 2014/15 and a minimum balance of £1.045 million in 2023/24.

6.2 Capital Costs and Grant Funding

There has been no significant overall change in capital costs with minor increases on future projects affected by the adjustments made for forecasted tender price inflation.

This has been partially offset by the re-profiling of the projects with expenditure incurred in earlier years through more efficient use of the decant facility. It should be noted however that there remains a risk that projects could be delayed either pre-tender or on site and, although a reasonable gap has been maintained between each use of the decant facility, project over runs could impact the timelines for the remaining projects.

Since the October 2014 review the Grant Funding income for St Patrick's has been finalised with increased recovery projected. There is also an assumption (as outlined in section 4.3 above) that grant will be awarded in connection with the Kilmacolm Primary School project although this has yet to be confirmed by the Scottish Government. Grant funding has also been received in respect of the implementation of the Children & Young People Bill and provision of free school meals to primary 1-3 with an increase in the amount reported in the 2014 model.

6.3 Cashflow

Both the capital and overall models need to be in surplus for the Council to claim the SEMP is financially deliverable. The October 2015 model shows this to be the case within the previously reported timescales.

6.4 Financial Risks

The School Estate Management Plan has progressed to a stage where the planned rationalisation of the estate is complete with a relatively small number of major projects yet to be taken forward to address the remaining assets requiring significant investment. The financial risks associated with completion of the project are summarised below;

- Out-turn Construction Costs - Risk (as with all construction projects) that final costs will exceed project budgets, particularly in refurbishment projects.
- Tender Price Inflation - Risk of future tender prices rising faster than industry forecasts / model allowances.
- Project delays/over-runs – The risk that the timelines assumed in the model are impacted with potential knock-on inflation impact for future projects.
- Legislation - The risk of future changes in legislation e.g. building standards becoming increasingly onerous particularly in respect of upgrading existing buildings. Currently sprinkler systems are mandatory for new build projects and are recommended for refurbishment projects with significant extensions. Not all remaining refurbishment projects within the model have allowances for sprinkler installations.
- Capital Grant - It should also be noted that future reduction in the government capital grant remains a significant risk to the programme although this has been partly addressed by the reduction noted in 4.4.

A risk register is attached as appendix 1(d).

Legal

6.5 There are no legal issues.

Human Resources

6.6 There are no human resources issues.

Equalities

6.7 Has an Equality Impact Assessment been carried out?

YES (see attached appendix)

X

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

6.8 The School Estate Strategy has been and continues to be one of the Council's key areas of investment in support of the aim of repopulating and promoting Inverclyde as the place of choice to live, work and spend leisure time. The significant investment in the School Estate is not only a catalyst for regeneration but also contributes towards improving Inverclyde for the people who live here and assists in attracting people to relocate and settle here, knowing their children will receive a first class education in the best possible school accommodation.

7.0 CONSULTATION

7.1 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.

7.2 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.

8.0 LIST OF BACKGROUND PAPERS

8.1 Project Cost Plans
Cashflows (Capital & Revenue)
Calculation of Maintenance Costs
Sports Pitch Lifecycle Model
Building Cost Information Service (BCIS) Quarterly Review (Sept 15 Update)

School Estate Funding Model - October 2015

Sources of Funding	Start Date	Completion Date	Total Base Date	Total	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30							
					Scottish Government Funding - SSFF												3,501	1,513		2,977	1,446															
Scottish Government Funding - C&YP														1,039	1,017																					
Scottish Government Funding - Free School Meals Capital Programme									4,808	4,800	4,800	4,800	4,800	4,800	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300							
Free Reserves - Greenock Academy Demolition														420																						
Energy Efficiency Fund - Ardgowan Primary School															27																					
Capital Funding (Non SEMP) MUGA														138	365																					
Education Revenue - St Stephen's HS Demolition												5,700	3,325	497										866												
Prudential Funding - Receipts			11,926				2,035																													
Prudential Funding - Projects									923	803	3,337	15,572	9,224	1,767	500																					
Prudential Funding - Lomond View Academy											142	1,648		57																						
Prudential Funding - Alternative Model													5,000	(300)																						
Virement to Inverkip Community Centre																																				
Overspend funded from following year																																				
Underspend transferred to previous year								951	6,169																											
Total funding available																																				
Less: Capital programme not listed below				7,978																																
Balance available for other projects																																				
Proposed spend																																				
Inverclyde Academy 3G Pitch	Oct-09	Feb-10	460	454					454																											
Mearn Centre Interim Refurbishment	Jan-10	Aug-10	200	139					29	110	Incl.																									
Kings Glen Decant School Refurbishment	Jun-08	Aug-10	50	40			20																													
Various Road Improvement Works	Varies	Apr-13	560	286					7	3	61	133	Incl.																							
PPP Interactive Boards/LCD Screens	Varies	May-11	474	502					132	7	363																									
St Columba's HS (Refurbish Gourcock HS)	Jan-12	Aug-13	13,707	14,667					13	536	1,038	7,461	5,619	Incl.																						
St Andrew's PS (Refurbish Earnhill)	Aug-10	Oct-11	4,054	4,314			10		180	1,730	2,394	Incl.																								
Whinhill PS (Overton/Highlanders)	Oct-10	Aug-12	4,780	5,089					204	289	2,950	1,633	Incl.																							
Port Glasgow Community Campus	Oct-11	Dec-13	31,875	29,954					54	774	3,324	15,556	8,831	762																						
Lomond View Academy (Refurbish St Laurence's)	Jul-12	Jul-13	2,150	2,503							142	1,648	656	26																						
Inverkip PS Refurbishment	Jul-11	Oct-12	832	595							362	195	Incl.																							
Craigmarloch School	Oct-11	Dec-13	11,082	10,628					259		725	5,759	3,734	Incl.																						
Sacred Heart Decant School Upgrade	Sep-12	Jan-14	300	500							14	106	375	Incl.																						
Early Years Establishments Refurbishments	Apr-16	Mar-17	1,000	1,331																																
Ardgowan PS Refurbishment	Apr-14	Aug-15	3,886	6,203								97	464	4,882	760	1,264	67																			
St Patrick's PS Refurbishment	Aug-15	Oct-16	4,274	7,012										123	1,975	4,714	200																			
St Francis PS External Works	Jun-15	Aug-15	320	240										11	216	13																				
Moorfoot PS Refurbishment	Jul-17	Jul-18	3,885	4,647												129	2,969	1,443	105																	
St John's PS Refurbishment	Dec-14	Sep-15	1,825	2,796									38	831	1,530	397																				
St Mary's PS Refurbishment	Jul-22	Oct-23	3,722	6,114																																
Lady Alice PS Refurbishment	Apr-21	Apr-22	2,450	3,688																	239	2,765	596	3,419	107											
Kilmacolm PS Refurbishment	Oct-15	Oct-16	2,877	4,270																																
St Ninian's PS Refurbishment	Apr-19	Jul-20	4,635	5,990											56	958	3,156	100																		
Gourock PS Refurbishment	Apr-24	Apr-25	1,149	2,036														399	3,442	2,018	131															
Demolition of Ravenscraig PS	Feb-10	Mar-10	150	37						11	26	Incl.																								
Demolition of Greenock Academy	Jan-15	Aug-15	450	746																																
Demolition of St Gabriel's PS	Feb-12	Mar-12	120	61																																
Demolition of Kings Glen	Oct-12	Dec-12	200	82									82	Incl.																						
Demolition of St Stephen's HS	Jan-17	Jun-17	450	500										3	497																					
Demolition of Lilybank	Jul-14	Oct-14	100	96										3	93																					
Demolition of Sacred Heart PS	Apr-24	Oct-24	180	309																																
General allowance for unforeseen works			900	1,292				921							48	158	65	100																		
Prudential Funding - Capital Project Contributions			1,140	1,140									393	Incl.	Incl.																					
Lifecycle Fund - Sports Pitches			1,898	1,227																																
Lifecycle Fund			22,467	32,969											378	210	1,132	1,128	1,191	1,773	1,836	1,934	1,900	2,102	2,787	2,917	3,099	3,290	3,490	3,802						
Total proposed spend			128,603	152,457				951	1,084	3,754	11,472	32,703	20,116	8,229	5,792	10,973	4,529	3,169	5,320	4,287	5,118	5,025	5,840	4,752	3,650	3,150	3,290	3,729	3,802							
Surplus (Deficit) for year to carry forward										7,097	1,372	(3,610)	(2,676)	2,722	(93)	2,880	(6,467)	(229)	1,131	(1,020)	13	(818)	(725)	(1,540)	414	650	1,150	1,010	571	498						
Surplus (Deficit) brought forward										7,097	8,469	4,859	2,183	4,905	4,812	7,692	1,225	995	2,127	1,106	1,119	301	(424)	(1,965)	(1,551)	(901)	249	1,259	1,830							
Cumulative carry forward										7,097	8,469	4,859	2,183	4,905	4,812	7,692	1,225	995	2,127	1,106	1,119	301	(424)	(1,965)	(1,551)	(901)	249	1,259	1,830	2,328						

School Estate Funding Model - October 2015 - One Off Revenue Costs

Sources of Funding/Proposed Spend	Start Date / Timeline	Completion Date	Total	Total Inc Inflation	2008/09	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
Clune Park Closure	Apr-08	-	17	17	17																					
St Columba's (Refurb Gourrock HS) + Transport	Nov-11	Aug-16	601	941	39	190	87	87	87	233	146	109														
PPP New Aileymill Primary School	Feb-10	Feb-10	46	49		49																				
PPP New All Saint's Primary School	Feb-10	Feb-10	46	49		49																				
Notre Dame to Wellington	Jun-09	Jun-09	105	111		111																				
St Andrew's Primary School (Refurb Earnhill)	Aug-10	Oct-11	70	79		17		62																		
PPP New Notre Dame High School	May-11	May-11	75	84				84																		
PPP New Clydeview Academy	May-11	May-11	120	135				135																		
Overton/Highlanders Refurbishment	Apr-11	Aug-12	359	370			159	164	47																	
Port Glasgow Community Campus	Oct-11	Dec-13	872	972			125	567	30	250																
Lomond View Academy (Refurb St Laurences)	Jul-12	Jul-13	35	42					42																	
Inverkip Primary School Refurbishment/Extn.	Jun-11	Aug-12	20	23				11	11																	
ASN School - New Build	Oct-11	Dec-13	85	101						101																
Early Years Establishments Refurbishments	Apr-15	Mar-17	50	64								38	26													
Ardgowan Primary School Refurbishment	Apr-14	Aug-15	376	517						203	226	88														
St Patrick's Primary School Refurbishment	Aug-15	Oct-16	403	447								253	194													
Moorfoot Primary School Refurbishment	Jul-17	Oct-18	298	354										243	111											
St John's Primary School Refurbishment	Dec-14	Sep-15	608	661							373	288														
St Mary's Primary School Refurbishment	Jul-22	Oct-23	349	475														280	195							
Lady Alice Primary School Refurbishment	Apr-21	Apr-22	295	394													340	54								
Kilmacolm Primary School Refurbishment	Oct-15	Oct-16	447	792								350	442													
St Ninian's Primary School Refurbishment	Apr-19	Jul-20	383	591												449	143									
Gourock Primary School - Refurbishment	Apr-24	Apr-25	20	34																17	17					
Sacred Heart Mothball/Security	Varies - 6nr	-	182	226				51	67	16	14	10	13	7	19	0	20	0	8	0						
Highlanders Decant Upgrade	-	-	-	-						150																
St Stephen's HS Decant Upgrade	Apr-14	Mar-15		75							75															
Additional Revenue maintenance costs	Annual	-		5,143		313	360	49	224	116	230	263	196	204	213	221	230	239	249	258	268	279	289	300	314	326
Additional Partial Refurbishment Works	Apr-12	Mar-14	500	500					250	250																
ICT Technician Support for SEMP	Apr-13	Mar-14	27	27						27																
QIO School Estate Extended Period Support	Apr-16	Mar-18	150	150									75	75												
Contingency	Annual	-	400	400								100	150	150												
Energy Performance Certificates	10 Year Cycle	-	200	100												100										
Condition Survey	5 Year Cycle	-	300	440		100				80	40									120						
Total proposed spend			7,438	14,362	56	828	731	1,210	758	1,427	1,104	1,499	1,097	679	443	770	393	579	591	573	285	296	289	300	314	326

School Estate Funding Model - October 2015 - One Off Revenue Costs

Sources of Funding/Proposed Spend	Start Date / Timeline	Completion Date	Total	Total Inc / Initiation	2008/09	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
Clune Park Closure	Apr-08	-	17	17	17																					
St Columba's (Refurb Gourock HS) + Transport	Nov-11	Aug-16	601	941	39	190	87	87	87	233	146	109														
PPP New Alleyhill Primary School	Feb-10	Feb-10	46	49	49																					
PPP New All Saints Primary School	Feb-10	Feb-10	46	49	49																					
Notre Dame to Wellington	Jun-09	Jun-09	105	111	111																					
St Andrew's Primary School (Refurb Eamhill)	Aug-10	Oct-11	70	79	17		62																			
PPP New Notre Dame High School	May-11	May-11	75	84			84																			
PPP New Clydeview Academy	May-11	May-11	120	135			135																			
Overton/Highlanders Refurbishment	Apr-11	Apr-11	359	370			164																			
Port Glasgow Community Campus	Oct-11	Aug-12	872	972			567			250																
Lonond View Academy (Refurb St Laurences)	Jul-12	Jul-13	35	42			11																			
Inverkip Primary School Refurbishment/Extn.	Jun-12	Aug-12	20	23																						
ASN School - New Build	Oct-11	Dec-13	85	101						101																
Early Years Establishments Refurbishments	Apr-15	Mar-17	50	64								38	26													
Argowan Primary School Refurbishment	Apr-14	Apr-14	376	517						203	226	88	194													
St Patrick's Primary School Refurbishment	Aug-15	Oct-16	403	447								253	194													
Moorfoot Primary School Refurbishment	Jul-17	Oct-18	298	354										243												
St John's Primary School Refurbishment	Dec-14	Sep-15	608	661							373	288														
St Mary's Primary School Refurbishment	Jul-22	Oct-23	349	475																195						
Lady Alice Primary School Refurbishment	Apr-21	Apr-22	295	394																280						
Kilmarcolm Primary School Refurbishment	Oct-15	Oct-16	447	792																54						
Gourock Primary School Refurbishment	Apr-19	Jul-20	383	591																						
Sacred Heart/Midhill/Security	Apr-24	Apr-25	152	226																						
Highlanders Decant Upgrade	Varies - 6hr	-	-	-			51			16	14	10	13	7	19	0	20	0	8	0						
St Stephen's HS Decant Upgrade	Mar-15	Mar-15	-	75						150	75															
Additional Revenue maintenance costs	Annual	-	500	5,143		313	49	224	224	116	230	263	196	204	213	221	230	239	249	258	268	279	289	300	314	326
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Condition Survey	5 Year Cycle	-	300	440		100				80	40															
Total proposed spend			7,438	14,362	56	826	731	1,210	758	1,427	1,104	1,499	1,097	679	443	770	393	579	591	573	285	286	289	300	314	326

Oct 15

School Estate - Earmarked Reserves

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Earmarked Reserve b/fwd	3,461	2,942	2,619	2,278	2,096	2,123	1,736	1,718	1,505	1,271	1,045	1,097	1,192	1,282	1,349	1,389
Available Savings added (a)	4,584	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,747	4,747	4,747	4,747	4,747
Extra Financing (b)	3,020	3,260	3,085	2,735	2,735	2,735	2,735	2,735	2,735	2,735	2,735	2,735	2,735	2,735	2,735	2,735
Prudential Schools Loan Charges (c)	-3,584	-3,920	-4,166	-4,074	-4,101	-4,188	-4,196	-4,205	-4,214	-4,224	-4,234	-4,245	-4,257	-4,269	-4,282	-4,296
Unitary Charge Payment (d)	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942	-8,942
Unitary Charge Inflation Element (e)	-419	-634	-903	-1,182	-1,473	-1,775	-2,089	-2,416	-2,756	-3,110	-3,477	-3,860	-4,258	-4,671	-5,101	-5,549
Unitary Charge Funding from Inflation Contingency	419	634	903	1,182	1,473	1,775	2,089	2,416	2,756	3,110	3,477	3,860	4,258	4,671	5,101	5,549
One Off Costs (f)	-1,218	-1,236	-900	-475	-230	-549	-163	-340	-342	-315	-17	-17	0	0	0	0
Extra Revenue Repairs (g)	-235	-263	-196	-204	-213	-221	-230	-239	-249	-258	-268	-279	-289	-300	-314	-326
Unitary Charge RSG	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	-240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Earmarked Reserve c/fwd	<u>2,942</u>	<u>2,619</u>	<u>2,278</u>	<u>2,096</u>	<u>2,123</u>	<u>1,736</u>	<u>1,718</u>	<u>1,505</u>	<u>1,271</u>	<u>1,045</u>	<u>1,097</u>	<u>1,192</u>	<u>1,282</u>	<u>1,349</u>	<u>1,389</u>	<u>1,403</u>

(a) £4,682k of savings have been achieved to date. £65k saving still to be made following closure of Sacred Heart as decant building in 2023.

(b) Compensating loan charges for receipts transferred to the Capital Fund come in from 2015/16. Annual Saving of £175k taken from 2016/17. Further saving of £350k taken from 2017/18.

(c) Uses a pool fund rate of 3.95% for 2015/16 and 2016/17, 3.90% for 2017/18 and 2018/19 and 4.00% from 2019/20 onwards. £50k contingency added from 2016/17. £200k saving from 2017/18.

(d) Based on Actual Unitary Charge at Jan 2011 RPI of £8.842 million plus £100k contingency from 2013/14.

(e) Base at Jan 2015 RPI. Assumes 2.7% annual inflation (4% RPI discounted by factor of 1.5)

(f) Includes cost of QIO for period April 2016 to June 2018, full NDR for St Stephen's decant building for 2015/16 and 2016/17, £45k rent in 2015/16 & 2016/17 for St Stephen's land, £497k Provision for St Stephen's in 2014/15.

£497k provision for St Stephen's demolition in 2014/15. After 2025/26 all one-off costs cease.

(g) Saving of £75k per year taken from 2016/17.

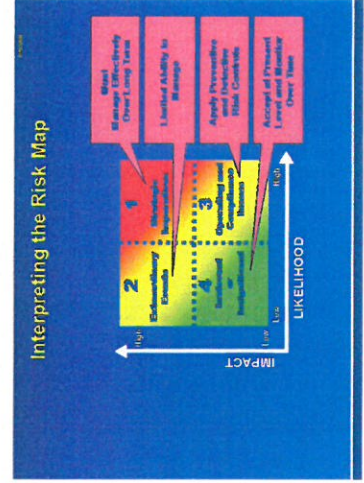
School Estate Management Plan - Risk Register

Revision 23

Organisation:	Inverclyde Council
Risk Map:	School Estate Management Plan
Risk Assessors:	Property Services
Date:	Oct-15

Risk No	Description of RISK Concern (x,y,z)	IMPACT Rating (A)	L-HOOD Rating (B)	Quartile	Risk Score (A*B)	Current Controls	Who is Responsible? (name or title)	Additional Controls/Mitigating Actions & Time Frames with End Dates
Building Risks								
B1	Lifecycle Maintenance: The Lifecycle fund does not provide sufficient funding for on going major maintenance. Factors of this risk include: If the schools are to be kept in good / satisfactory condition it is necessary to allow for a lifecycle fund to ensure adequate financial provision is made. Acceleration of projects may impact on lifecycle profile.	3	2	3	6	The lifecycle fund has been calculated to provide appropriate funding over the life of the model. Given the timescales involved and the uncertainties of replacement cycles, particularly for refurbished buildings, it is an indicative allowance. An additional allowance was made in the Oct 14 model specifically to address the sports pitches within the estate.	Head of L&PS/Property Services Manager	The lifecycle fund should be refined over the life of the model.
B2	Day to Day Repairs: Expenditure on day to day repairs is insufficient to maintain the schools in good / satisfactory order, leading to a deterioration in condition and premature failure of components and installations. Factors of this risk include: Day to day repairs are funded by the CRA which has struggled with funding for a number of years. Current levels of funding will not be sufficient to maintain buildings in a good state of repair.	3	3	3	9	An additional allowance has been included in the SEMP funding model to top up the CRA to a more appropriate level of funding - ECRA. Note funding of CRA reduced by £50,000 per annum from 2012/13. Note also that a further reduction of £75k per annum has been made from 2016/17 to address savings required as part of the budget setting process.	Head of L&PS/Property Services Manager	Expenditure of the ECRA allowance is monitored and managed by the Property Services Manager and Property Services Team Leader to ensure appropriate prioritisation of work.
B3	Unscheduled Repairs: Unscheduled repairs required in schools that have not received a major refurbishment or are being utilised as temporary decant accommodation. Factors of this risk include: No allowance for major maintenance of short or long term decant school accommodation. It is possible that failures will occur which will require to be addressed.	3	2	3	6	The only remaining decant schools are the former temporary shared campus (St Stephen's HS) and the former Sacred Heart PS. Schools scheduled to receive a future refurbishment are generally in satisfactory condition and have no outstanding known major issues. The largest outstanding risks are of mechanical systems failure and larger elemental replacement requirements (windows) within the current decant schools. However both are B Condition rating	Head of L&PS/Property Services Manager	This risk must be accepted or a contingency allowance made in the Central Repairs budget. The on-going Lifecycle budget could also be utilised to address any larger scale elemental replacement or unscheduled major repairs. One-off cost allocations have addressed partial refurbishment of some elements prior to use as decant. The boilers at Sacred Heart have been upgraded during summer 2014 and further work has been undertaken on the part of the building in use by Larkfield Children's Centre. It should be noted that this would impact on funds available to address risk 1. above.
Financial Risks								
F1	Central Government Support: Level of support from Central Government changes. This factor is significant and a reduction in funding has been confirmed. Circa 70% of the Council's Capital grant is committed to the SEMP.	4	3	2	12	A further £134K SSFF Ph 2 funding was received for the ASN school. The current model assumes a reduction in capital funding from the government over the life of the model. Additional Government grant funding has been approved for St Patrick's PS with a revised amount of £3.423M included in the model and a provisional amount for Kilmacrin PS pending Scottish Government final confirmation of funding support. The October 2013 SEMP funding model reduced the General Capital Grant allocation by £500K per annum from 2013/16	Head of Finance	Managed through Financial Strategy and budget setting process. Possible reductions to scope of SEMP if funding not able to be found / maintained.
F2	Savings Model: Savings from school closures built into the model may not be fully realised. Factors of this risk include: The model is dependant, in part, for savings to fund it. If the savings are not realised it would impact on the overall affordability of the model.	4	2	3	8	The savings have been calculated as robustly as possible. Savings have been reviewed for the revised model and adjusted to take account of actual savings achieved.	Head of Finance/Principal Account (Education & Communities)	Savings are subject to an annual review and adjustment as necessary.
F3	Cost Planning: Cost allowances made for early years accommodation may prove insufficient. Factors of this risk include: The requirement for work to the early years portfolio is limited. Three establishments, Glenbrae, Hillend and Kelly Street will require significant investment. No work has been carried out to scope the work required and the allowances made are indicative. There is always a risk that the Council will have to make new provision either as a result of demographic changes or because partner providers cease or reduce provision. Scottish Government led initiatives also impact on Early Years Services e.g. Children & Young People Bill (600Hrs) and the Looked After 2 year olds agenda.	3	4	2	12	Allowances have been made within the current SEMP for limited works to a number of Early Years Establishments. A number of establishments are incorporated into new schools and nurseries in schools will be refurbished with the schools. Provision in Gourcock (Binnie Street) was dealt with separately from the SEMP	Corporate Director Education & Communities/Property Services Manager/Early Years Manager	A review of Early Years provision in the East End of Greenock has been cancelled due to the projected impact of the C&YPB. A short term working group has been formed to develop an Early Years Asset Strategy and clarify impact on existing accommodation and any funding available through Children and Young People Bill changes. The review is on-going and a report is anticipated by the end of the calendar year.

F4	Decant/ Transport: Decant arrangements have not been finalised for schools to be refurbished. Factors of this risk include: Given the extent of refurbishment work, and given previous experience, nearly all schools to be refurbished will require to be decanted. It has been assumed that the Former Sacred Heart building will be used. Allowances have been made for decant and pupil transport. Decant allowances can be considered robust however pupil transport costs are indicative and may vary from anticipated and allowed for in the model and in Education Revenue budgets.	3	2	3	6	Pupil transport costs have been calculated as accurately as possible based on current information but are impossible to predict accurately over time. The model includes pupil transport costs necessary when schools are decanted and also future budgets have been appraised to include the impact of changes in pupil transport costs due to rationalisation with additional costs being met from savings.	Corporate Director Education & Communities/Principal Account (Education & Communities)/Property Services Manager	Pupil transport costs are reviewed annually and refined over the life of the model. Appropriate inflation allowances are built in to the model.
F5	External Inflation: Inflation rises faster than allowed for. Factors of this risk include: Inflation in the construction industry is more volatile than general inflation, being based more on supply and demand. It is virtually impossible to predict inflation over a 15 year period. If general inflation increases significantly then this will have an impact on the model.	3	2	3	6	Inflation allowances have been reviewed and adjusted in line with current projections and latest Building Cost Information Service (BCIS) forecasts. The major elements of the programme are now complete with a limited number of Primary School projects remaining. Acceleration of the Primary School programme where possible will assist in minimising the impact of building cost inflation on the model.	Property Services Manager	Inflation assumptions are reviewed annually and adjusted if necessary.
F6	Building Standards Legislation: Revisions to Building Standards are affecting the scope of works required to meet minimum compliance when undertaking new build or refurbishment of property. The Council has a policy to better minimum standards where possible as part of the Carbon Management and sustainability agenda. This could potentially impact on overall cost of future projects and will impact on the model.	3	3	3	9	Previous project specifications and design briefs target bettering the minimum building standards requirements. Current standards such as Section 7 and mandatory sprinkler requirement for new buildings and significantly extended buildings are bringing standards in line with previous brief aspirations. There is a risk that future changes will not align with current cost plan assumptions on scope of works.	Property Services Manager	Review scope of each project to ensure maximum VFM.
D1	Demographic Risks St. Columba's Viability: Future viability of St. Columba's High School - The roll may drop below a level (circa 450) where a full curriculum could not be offered / delivered and course choices could be constrained.	3	3	3	9	Changes to the Placing Request policy have been agreed which should result in better management of rolls vs capacity. Latest projections indicate that St Columba's is stabilising at around 550-600. A temporary arrangement for transport is in place pending review of policy.	Corporate Director Education & Communities/Head of Education	Maintain capping levels and admissions policy. Work with associated Primary Schools to promote the school. Review transport policy.
D2	School Rolls: It may not be possible to manage school Rolls as planned. Factors of this risk include: The proposals for the remainder of the schools to be refurbished are dependent on stabilisation of school rolls. The 2014 rolls projections and subsequent report (Jan 2015) indicates rolls should remain stable overall for the next 5-6 years however this report indicates that some schools require continual monitoring.	3	2	3	6	St Ninian's project scope was revised in the Oct 14 plan to reduce planned extension allowance based on current roll projection information. Changes to the Placing Request policy have been agreed which should result in better management of rolls vs capacity in the future. Issues relating to the capacity of Clydeview Academy have been addressed.	Corporate Director Education & Communities/Quality Improvement Officer - School Estate	This risk should be assessed and a view taken prior to deciding on final proposals for St Ninians and Gourcock Primary Schools. Roll projection are regularly monitored and reviewed.
P1	Programme Risks Project Delays: Projects do not run to time, leading to delays in other projects starting due to using the same decant school. Factors of this risk include: Using a single decant school and keeping it in continuous operation is the most efficient way of working however it does rely on projects not significantly overrunning.	2	3	3	6	A buffer has been built into the programme between all refurbishments to allow for the possibility of some over runs. This cannot be too long however or mobilising costs will be incurred.	Head of L&PS/Property Services Manager	The programme should be kept under review and revised as necessary during the life of the model. The 2015 review has altered a number of the project timelines and assumes a more efficient use of the decant facility.



- Key: see diagram
- **Requires active management.**
High impact/high likelihood: risk requires active management to manage down and maintain exposure at an acceptable level.
 - **Contingency plans.**
A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from plan.
 - **Good Housekeeping.**
May require some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain the same.
 - **Review periodically.**
Risks are unlikely to require mitigating actions but status should be reviewed frequently to ensure conditions have not changed.

School Estate Management Plan - Risk Register

Revision 23

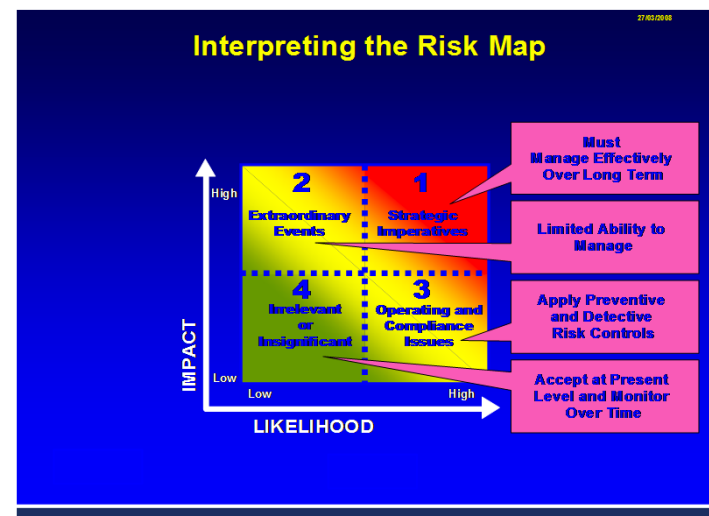
Organisation:	Inverclyde Council
Risk Map:	School Estate Management Plan
Risk Assessors:	Property Services
Date:	Oct-15

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F3	<i>Cost Planning:</i> Cost allowances made for early years accommodation may prove insufficient. Factors of this risk include: The requirement for work to the early years portfolio is limited. Three establishments, Glenbrae, Hillend and Kelly Street will require significant investment. No work has been carried out to scope the work required and the allowances made are indicative. There is always a risk that the Council will have to make new provision either as a result of demographic changes or because partner providers cease or reduce provision. Scottish Government led initiatives also impact on Early Years Services e.g. Children & Young People Bill (600Hrs) and the Looked After 2 year olds agenda.	3	4	2	12	Allowances have been made within the current SEMP for limited works to a number of Early Years Establishments. A number of establishments are incorporated into new schools and nurseries in schools will be refurbished with the schools. Provision in Gourrock (Binnie Street) was dealt with separately from the SEMP.	Corporate Director Education & Communities/Property Services Manager/Early Years Manager	A review of Early Years provision in the East End of Greenock has been cancelled due to the projected impact of the C&YPB. A short term working group has been formed to develop an Early Years Asset Strategy and clarify impact on existing accommodation and any funding available through Children and Young People Bill led changes. The review is on-going and a report is anticipated by the end of the calendar year.

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F5	<i>External Inflation:</i> Inflation rises faster than allowed for. Factors of this risk include: Inflation in the construction industry is more volatile than general inflation, being based more on supply and demand. It is virtually impossible to predict inflation over a 15 year period. If general inflation increases significantly then this will have an impact on the model.	3	2	3	6	Inflation allowances have been reviewed and adjusted in line with current projections and latest Building Cost Information Service (BCIS) forecasts. The major elements of the programme are now complete with a limited number of Primary School projects remaining. Acceleration of the Primary School programme where possible will assist in minimising the impact of building cost inflation on the model.	Property Services Manager	Inflation assumptions are reviewed annually and adjusted if necessary.	
F6	<i>Building Standards Legislation:</i> Revisions to Building Standards are affecting the scope of works required to meet minimum compliance when undertaking new build or refurbishment of property. The Council has a policy to better minimum standards where possible as part of the Carbon Management and sustainability agenda. This could potentially impact on overall cost of future projects and will impact on the model.	3	3	3	9	Previous project specifications and design briefs target bettering the minimum building standards requirements. Current standards such as Section 7 and mandatory sprinkler requirement for new buildings and significantly extended buildings are bringing standards in line with previous brief aspirations. There is a risk that future changes will not align with current cost plan assumptions on scope of works.	Property Services Manager	Review scope of each project to ensure maximum VFM.	
Demographic Risks									
D1	<i>St. Columba's Viability:</i> Future viability of St. Columba's High School - The roll may drop below a level (circa 450) where a full curriculum could not be offered / delivered and course choices could be constrained.	3	3	3	9	Changes to the Placing Request policy have been agreed which should result in better management of rolls vs capacity. Latest projections indicate that St Columba's is stabilising at around 550-600. A temporary arrangement for transport is in place pending review of policy.	Corporate Director Education & Communities/Head of Education	Maintain capping levels and admissions policy. Work with associated Primary Schools to promote the school. Review transport policy.	
D2	<i>School Rolls:</i> It may not be possible to manage school Rolls as planned. Factors of this risk include: The proposals for the remainder of the schools to be refurbished are dependent on stabilisation of school rolls. The 2014 rolls projections and subsequent report (Jan 2015) indicates rolls should remain stable overall for the next 5-6 years however this report indicates that some schools require continual monitoring.	3	2	3	6	St Ninian's project scope was revised in the Oct 14 plan to reduce planned extension allowance based on current roll projection information. Changes to the Placing Request policy have been agreed which should result in better management of rolls vs capacity in the future. Issues relating to the capacity of Clydeview Academy have been addressed.	Corporate Director Education & Communities/Quality Improvement Officer - School Estate	This risk should be assessed and a view taken prior to deciding on final proposals for St Ninians and Gourrock Primary Schools. Roll projection are regularly monitored and reviewed.	
Programme Risks									
P1	<i>Project Delays:</i> Projects do not run to time, leading to delays in other projects starting due to using the same decant school. Factors of this risk include: Using a single decant school and keeping it in continuous operation is the most efficient way of working however it does rely on projects not significantly overrunning.	2	3	3	6	A buffer has been built into the programme between all refurbishments to allow for the possibility of some over runs. This cannot be too long however or mothballing costs will be incurred.	Head of L&PS/Property Services Manager	The programme should be kept under review and revised as necessary during the life of the model. The 2015 review has altered a number of the project timelines and assumes a more efficient use of the decant facility.	

Key: see diagram

- Requires active management.**
 High impact/high likelihood: risk requires active management to manage down and maintain exposure at an acceptable level.
 Very High (16-25)
- Contingency plans.**
 A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from plan.
 High (10-15)
- Good Housekeeping.**
 May require some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain the same.
 Medium (5-9)
- Review periodically.**
 Risks are unlikely to require mitigating actions but status should be reviewed frequently to ensure conditions have not changed.
 Low (1-4)



Education, Communities & Organisational Development

Our Ref: AE/LS

Your Ref:

Date: 29 September 2015

 Municipal Buildings
Clyde Square
Greenock
PA15 1LY

 Ian Mitchell
The Scottish Government
Learning Directorate
2 A South
Victoria Quay
Edinburgh
EH6 6QQ

Dear Mr Mitchell,

SCOTLAND'S SCHOOLS FOR THE FUTURE – PHASE 4

I refer to the above and your letter of 10th December 2014 indicating support for the **Kilmacolm Primary School** project.

The Council has progressed the project via hub West Scotland with Stage 2 approval granted by the hub West Scotland board and financial close currently scheduled for 6th October 2015. This will allow a start on site in October 2015 to complete October 2016 in accordance with the timeline indicated in your letter to align with the current spending review period.

The Council has been in discussion with the Scottish Futures Trust in respect of the current difficulties associated with ESA10 and the inability of the Scottish Government to commit to Phase 4 projects at this time. The Kilmacolm project has involved a significant amount of pre-planning and enabling works and all arrangements are in place to allow the project to progress in October with the following critical factors impacted by any delay:


- Project involves decanting the existing primary school to a temporary facility (former St Stephen's High School). The use of this facility has a cost impact in terms of utilities and non-domestic rates. Arrangements have been made for transport (buses) with contracts in place and extensive stakeholder engagement on pick-up points completed.
- Temporary rented accommodation has been procured and put in place within the school site to serve the nursery during the construction period. This work has recently been completed ahead of the decant in October, with the Council now committed to rental costs.
- The former St Stephen's HS site (decant facility) has been sold and is being leased back from the Housing Association landowner. The Council will be liable for extended costs in connection with any delay impacting the planned decant period and ability to hand back the site for future development.
- Delay in achieving financial close will have associated construction inflation impact.
- Reputational damage for Council and Scottish Government associated with delay at this stage of the project.


 Healthy
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Lives


The Council is keen to gain assurance that funding support will still be available for the project should it proceed to Financial Close to avoid the impact of the issues above.

The council appreciate your support in this matter and would ask for your earliest response, prior to the 6th October.

Yours faithfully,

A rectangular area of the document is redacted with a dense, black, cross-hatched pattern, obscuring the signature and any text beneath it.

Angela Edwards
Head of Inclusive Education, Culture & Corporate Policy.

Enquiries To: Lesley Steele/Lynn Roberts – Telephone no: 01475 712828
Secretary to Head of Inclusive Education, Culture & Corporate Policy
Tel: 01475 712828

Appendix 3

Remaining SEMP Projects (Uncommitted – Order of Priority to be confirmed – shaded blue as report recommendation)

Property (alphabetical order)	Current Condition Rating & Score	Current Suitability Rating	Current EPC Rating	2014 SEMP Model Timeline	2015 SEMP Model Timeline
Gourock Primary School	B (75.00)	B (77)	C+	Jul 26 – Mar 27	Apr 24 – Apr 25
Lady Alice Primary School	B (69.75)	B (69)	D	Jul 21 – Jul 22	Apr 21 – Apr 22
Moorfoot Primary School	B (65.25)	B (73)	D+	Jul 17 – Oct 18	Jul 17 – Jul 18
St Mary's Primary School	B (73.25)	B (71)	D+	Jul 19 – Oct 20	Jul 22 – Oct 23
St Ninian's Primary School	B (66.75)	B (72)	E+	Jul 23 – Oct 24	Apr 19 – Jul 20

Condition				Suitability		
Rating	Description	Definition	Score	Rating	Description	Definition
A	Good	Performing well and operating efficiently	> 85%	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 showing minor deterioration	61 – 85%	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 defects and/or not operating adequately	40-60%	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	Economic life expired and/or risk of failure	< 40%	D	Bad	Does not support the delivery of services to children and communities (the school buildings and grounds seriously impede the delivery of activities that are needed for children and communities in the school)