
Report To: Education & Communities Committee **Date:** 19 January, 2016

Report By: Corporate Director Education, Communities & Organisational Development and Chief Financial Officer **Report No:** EDUCOM/15/16/JA

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Subject: Communities Capital Programme 2015 to 2018

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 Communities 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 Communities Capital Programme.
- 2.2 Overall the Committee is projecting to contain the costs of the 2015-2018 Capital Programme within available budgets.
- 2.3 Appendix 1 contains details of the projected spend and cashflow for the Capital Programme over the 3 years of the current programme together with a projected allocation for future years..

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the progress with the specific projects as detailed in Appendix 1.
- 3.2 That the Committee endorses the recommendation of the Member's Budget Working Group in respect of an additional allocation of £100k from free reserves to the Birkmyre Park Pitch Improvement project, and remits this matter to Policy and Resources for consideration as part of the 2016/18 budget process.

John Arthur
Head of Safer & Inclusive
Communities.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 This report shows the current position of the approved Communities Capital Programme.

5.0 HOUSING SCHEME OF ASSISTANCE (SOA)

5.1 The Scheme of Assistance provides statutory housing assistance for the improvement and repair of private sector housing within Inverclyde. There is a 3-strand approach to delivery, namely Advice & Information, Practical Assistance and Financial Assistance. In order to meet the objectives of the Local Housing Strategy, repairs and improvements for the following areas are given priority – work to meet needs of disabled persons, houses which fail the tolerable standard, tackling fuel poverty, replacement of lead drinking water pipes and communal Scottish Housing Quality Standard works. Funding for the SOA in the period 2015 to 2018 is £3.673m with £0.807m projected to be spent in this Financial Year.

6.0 WATT COMPLEX REFURBISHMENT

6.1 A bid for £7m was entered to the Heritage Lottery Fund Round 1, the total cost of the project being £14m. The bid centered around the redesign and refurbishment of the McLean Museum and Watt Library. The bid was unsuccessful although the Council was invited to re-submit a fresh bid at a lower rate. The alternative bid will require significant changes to the first bid which was already restricted by the state of the current building. The current Council funding for this project is £4.0m, part of which will now be allocated to essential building work required this financial year.

Following a Timber Survey it has been noted that several areas within the McLean Museum/Watt Library are affected by dry rot and will require remedial works. These works are primarily to eradicate the building of all dry rot, halt the further spread, and make the affected areas safe. The works will be carried out in 4 areas: the Store adjacent to the Burns Room (Watt Library), the Curator's Office on the first floor (McLean Museum), the office below the Curator's Office on the ground floor (McLean Museum) and the East entrance porch on the ground floor (Watt Library). In all of these areas the joists and lintels are affected by dry rot and will require removal and reinstatement of finishes to the required specifications from Historic Scotland.

There has been a delay in carrying out this work, intended for 2014/15, due to the need for planning permission and additional specifications from Historic Scotland. Tenders have been returned and evaluated which has resulted in a revision of the revised estimate from £152k to £80k in this financial year. Work is programmed to be completed in this financial year.

Consultants have been engaged to review the overall scheme and prepare proposals for optimising external funding from the Heritage Lottery Fund. In tandem with this, officers are also considering the scope of works required to carry out the essential works to the Watt Complex.

7.0 INVERKIP COMMUNITY FACILITY & LIBRARY FITOUT

7.1 Construction of a new Community Facility for Inverkip was approved at the September 2011 Regeneration Committee. Tenders were received in June 2015. Due to the challenging ground conditions, and the specific requirements of SEPA for drainage works, the lowest tender was £400k over budget. The P&R Executive Sub-Committee of 18 June, 2015 agreed to increase the overall budget for the project to £2.161 million to allow acceptance of the tender.

Considerable work has been undertaken to develop the building design and progress a

solution for the discharge of surface water to the satisfaction of the Scottish Environmental Protection Agency (SEPA)

Planning permission was obtained on 08 February 2015 and Building Warrants were approved in August 2015. The Council has obtained all necessary permissions to allow the appointment of the tender and the pre-contract meeting with the successful contractor was held on 12 October, 2105. Work commenced on site in November 2015.

The projected spend for 2015/16 is £0.686m, with the balance of funds being spent in 2016/17.

8.0 WOODHALL COMMUNITY FACILITY

- 8.1 The purpose of this project was to build a Multi-Use Games Area (MUGA) and a small tenants' hall at a vacant site in Parkhill Square, Port Glasgow. A budget of £0.4m has been allocated to the project. The Woodhall Tenants' and Residents' Association have been successful in obtaining lottery funding for the MUGA.

After further discussion, the group has now completed the process of forming a limited company to allow them to draw down the lottery award and instruct the works for the construction of the MUGA through the Council. Further discussions with the group are required regarding the final use of the remaining budget within the area.

Tenders were issued for the MUGA project, however unanticipated issues with the land acquisition from River Clyde Homes, prevented the acceptance of the lowest tender within the required timescale. The project has been re-tendered at no increase in cost and the contract will be accepted once the land acquisition issue is resolved. The Lottery Fund are aware of the situation and have indicated that the funding for this project will be held pending that resolution.

In order to resolve the land acquisition issue, the sum of up to £30k from the current capital allocation has been earmarked to allow purchase of the land (including professional fees) without further delay.

9.0 NEW COMMUNITY FACILITY BROOMHILL

- 9.1 The Environment & Regeneration Committee of January 2013 approved in principle that the site of the former Mearns Centre and the adjoining blaes pitch at Nile Street Greenock would be made available to Inverclyde Action on Mental Health (IAMH) to develop a joint Social Enterprise / Community Facility. A planning application has been submitted and the former Mearns Centre building has now been demolished and the site cleared. A budget of £1.050m is allocated for the Inverclyde Council contribution to this project and it is anticipated that the main construction phase will begin towards the end of 2015/16.
- 9.2 IAMH have been successful in their bid to the Big Lottery, and the Scottish Government has confirmed the award of Regeneration Capital Grant to the Council to support this project. The Environment and Regeneration Committee at its meeting of 05 March 2015 approved the recommendation to transfer the ground/ agree a 99 year lease at Mearns Street/ Nile Street in support of the project.
- 9.3 IAMH are proceeding to tender with an anticipated start on site of by end March 2016 and practical completion within 12 months.
- 9.4 At its meeting of 10 March, 2015 the Committee agreed the provision of funding to IAMH in support of the capital costs of this project. Subsequently it came to light that, in order to maximise recovery of VAT, this award is required to be made direct to the wholly owned trading subsidiary of IAMH, In-Work Enterprises Ltd, rather than through IAMH. Members approved the award of the relevant capital funds to In-Work Enterprises Ltd at the Committee meeting of 5th May 2015. Officers are concluding a funding agreement which, in

tandem with the relevant lease conditions, protects the Council's investment and other interests in this project.

The conveyancing issues at this site have proved to be particularly difficult and officers have been working with IAMH solicitors to achieve a resolution that is satisfactory to both parties and, importantly, is acceptable to the Lottery Fund in terms of their funding commitment.

These issues are progressing toward resolution and IAMH have issued tenders for return in October. Tenders are currently being evaluated with a view to awarding the contract in early 2016.

Due to the phasing of Regeneration Capital Grant Funds committed to this project, it is anticipated that there will be no spend from the Council's capital budget in 2015/16 with the balance being spent in 2016/17.

10.0 RAVENSCRAIG SPORTS BARN

- 10.1 A budget of £0.6m has been allocated to fund the redevelopment of the Ravenscraig Sports Barn building.

Members have agreed the provision of loan facilities to IL to provide a total budget of £1.2million for the refurbishment of the building, extension of the gym area and fit out of the 'clip and climb' area. IL have appointed a development partner, design team and contractors and it is anticipated that the first phase of the project (the affordable gym) being completed by January 2016, with the climbing facility completion by end of March 2016.

It is anticipated that the full budget for this project will be drawn down in 2015/16.

11.0 BIRKMYRE PARK PITCH IMPROVEMENTS

- 11.1 As a result of budget decision for 2015/17 an additional £150,000 has been added to the allocation for Birkmyre Park pitch improvements.

Following consideration of a report by officers on the options for this site, the Members' Budget Working Group has recommended a further £100,000 be allocated from free reserves, contingent upon a contribution being agreed from St Columba's School, as part of the 2016/18 budget process to allow the required drainage works to proceed. This would bring the total budget for the drainage project to £400k.

The Committee is asked to endorse the Member's Budget Working Group recommendation and remit the matter of increasing the funds for this project to Policy and Resources for consideration as part of the ongoing budget process for 2016/18.

12.0 MOUNTAIN BIKE TRACK, RANKIN PARK

- 12.1 The Committee approved funding of £150k in support of a successful bid to Sports Scotland's 'Active Places' fund at the meeting in May 2015. The full budget for the project is £250k (inclusive of grant). A contractor has now been appointed for this project and it is anticipated that works will be complete on site by the end March 2016.

13.0 IMPLICATIONS

Finance

- 13.1 The total revised budget for 2015/18 is £2.458m.

The expenditure at 30 November, 2015 for Housing is £406k, 50.3% of the revised projected expenditure (£807k) for 2015/16.

The expenditure at 30 November, 2015 for Cultural and Sports is £371k or 22.5% of the revised projected expenditure (£1.651million) for 2015/16.

The expenditure overall at 30 November, 2015 is £777k or 30.5% of the revised projected expenditure (£2.458m) for 2015/16

- 13.2 The current budget (15/18) of £12.384 is made up of £3.673 for the Scheme of Assistance (SOA) and £8.711m for Cultural & Sports projects. Please refer to Appendix 1 for details of expenditure by project.

Legal

- 13.3 There are no legal issues.

Human Resources

- 13.4 There are no human resources issues.

Equalities

- 13.5 There are no equalities issues.

Repopulation

- 13.6 There are no repopulation issues.

14.0 CONSULTATION

- 14.1 The report has been jointly prepared by the Corporate Director Education, Communities & Organisational Development and the Chief Finance Officer.

15.0 BACKGROUND PAPERS

- 15.1 None.

COMMUNITIES CAPITAL REPORT

Appendix 1

COMMITTEE: EDUCATION & COMMUNITIES

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 30/11/15	Est 2016/17	Est 2017/18	Future Years	Start Date	Original Completion Date	Current Completion Date
£000	£000	£000	£000	£000	£000	£000				
Housing										
Scheme of Assistance	0	807	807	406	2,033	833				
	3,673	807	807	406	2,033	833	0			
Cultural & Sports										
Watt Complex Refurbishment	127	152	80	0	1,572	2,221				
Inverkip Community Facility & Library Fit Out	144	901	686	173	1,331	0		Nov-15	-	Jul-16
Community Facilities Investment Woodhall	400	100	30	0	370	0				
New Community Facility Broomhill	1,050	53	50	0	803	0		Nov-15		Mar-16
Ravensraig Sports Barn	600	400	600	185	0	0				
Contribution to Birkmyre Park Pitch Improvements	250	0	0	0	250	0		Nov-15		Feb-16
Rankin Park Mountain Bike Track	250	0	205	13	45	0				
	8,711	1,606	1,651	371	4,371	2,221	0			
Communities Total	12,384	468	2,413	777	6,404	3,054	0			