
Report To:	Education & Communities Committee	Date:	3 May 2016
Report By:	Corporate Director Education, Communities & Organisational Development and Chief Financial Officer	Report	EDUCOM/39/16/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 2015 Committee updated to reflect the decision to progress the acceleration of the School Estate Management Plan approved at the Council budget setting meeting of 10th March. The programme 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 31st March is 133.32% of 2015/16 approved budget; there is net accelerated spend from future years of £2.295m being reported. . It should be noted however that this position is pending completion of the final year end accounting process including accruals. This has arisen due to a number of existing projects projections being revised to reflect current progress, details of which are included in the body of the report (para 9.1).

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the progress on the specific projects detailed in Appendix 1.
- 3.2 That the Committee note and approve the additional expenditure on the Ardgowan PS project and utilisation of the capital programme contingency (para 5.1).

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 3rd November 2015 updated to reflect the decision to progress the acceleration of the School Estate Management Plan approved at the Council budget setting meeting of 10th March.
- 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, prior to the decision to accelerate, extended to 2025. The accelerated programme will see completion of the remaining projects by 2020. The Education Capital Programme detailed in this report shows details of projects which will incur expenditure up to March 2018.

5.0 PROJECTS COMPLETE ON SITE / WITHIN DEFECTS LIABILITY PERIOD

5.1 Ardgowan Primary School Refurbishment and Extension:

The school transferred back to the refurbished and extended building in August 2015. The project is currently within the contractual defects liability period. The Committee is requested to note that the final account for the project has now been agreed with the Contractor. The position in respect of the additional works undertaken on the retaining wall has also now been agreed through the respective loss adjusters. The project is reporting an over expenditure of £162K or 2.61% of the current approved budget. The Committee has previously approved utilisation of contingency and lifecycle budget to address significant changes in the original scope of the works in connection with additional masonry/stone repairs, re-roofing and reinstatement / replacement of the Finnart Street retaining wall. These works and the impact of accumulated minor variations have resulted in the increased costs on the project (refer Appendix 2). The Committee is requested to approve the utilisation of the overall capital programme contingency to address the over expenditure.

5.2 St John's Primary School Refurbishment and Extension:

The school transferred back to the refurbished and extended building at the end of September 2015. The project is currently within the contractual defects liability period. The January 2015 Committee approved the utilisation of £150k 2016/17 lifecycle funding to address works required to the Glen Avenue retaining wall. The Contractor has been engaged and has provided quotations for the works which are currently being checked / evaluated. The March update advised of the delay in finalising the proposals as a result of discussions with Building Standards on the detail at the rear of the new multi-use games area (MUGA) and the alteration to the anticipated scope of works involving substantial removal and reinstatement of the MUGA. This has impacted on the overall cost of the retaining wall works however the current projected final account for the project indicates that it should be possible to contain the additional expenditure on the retaining wall and associated works within the overall allocation of £2.946M subject to agreement of the final account for the main contract with the main contractor.

5.3 Former Greenock Academy Demolition:

As previously reported to Committee additional asbestos debris was discovered during the final stage of the demolition works. Further extensive testing has been undertaken across the site to establish the full extent of the issue. The independent specialist consultant report has now been received which outlines a number of options for remediation. The Council is considering its position relative to the original demolition contractor. As verbally confirmed at the March Committee the adjudication process instigated by the main contractor under the main contract has been concluded and the

settlement position is reflected in the current estimated cost of the project.

6.0 PROJECTS ON SITE / UNDER CONSTRUCTION

6.1 St Patrick's Primary School New Build:

The project commenced on site on Monday 10th August 2015 to complete October 2016. The project is progressing well with the current focus on closing the external envelope to achieve weather tight status. The secondary steel framing system (SFS) works are progressing with external brick superstructure work following closely behind. Internal partitioning to the first floor and Mechanical & Electrical first fix works are also on-going. The Contractor is currently on programme with transfer to the new facility programmed after the October 2016 holiday period as previously reported to Committee. The Client Services team are maintaining regular contact with the School and Parent Council throughout the project.

6.2 Kilmacolm Primary School Refurbishment:

The project commenced on site on Monday 19th October to complete October 2016. The works are progressing well with internal partition and lining/insulation works to external walls substantially complete and first fix mechanical and electrical works complete with second fix on-going. Works to structure of the minor infill extensions is substantially complete with works on-going externally on the multi-use games area. As verbally confirmed to the March Committee the project has confirmed funding support of £2.135M as part of the final phase of the 'Schools for the Future' programme. The Contractor is currently on programme with transfer to the new facility programmed after the October 2016 holiday period as previously reported to Committee. The Client Services team are maintaining regular contact with the School and Parent Partnership throughout the project.

6.3 Primary School Multi-Use Games Areas (MUGA's):

Funding for the above was allocated as part of the Council's budget setting exercise early in 2014. Works have been completed at all of the primary schools originally programmed to receive the investment. The September 2015 Education and Communities Committee approved the utilisation of the projected budget underspend to address the provision of Multi-Use Games Areas at Gourrock and Moorfoot Primary Schools. Work on the Moorfoot PS MUGA is nearing completion with the final polymeric surfacing commenced and on-going during suitable weather. Work on the Gourrock PS MUGA is on-going with groundworks / drainage substantially completed and fencing / tarmacadam base course programmed to commence mid-April.

7.0 PROJECTS AT BRIEFING/DESIGN/PRE-CONSTRUCTION STAGE

7.1 Moorfoot Primary School Refurbishment:

Following confirmation of the order of priority of the next primary school refurbishments in November 2015, the brief for the above project has been developed in consultation with the school and Parent Council. The procurement of the project is being progressed through hub West Scotland with the project approved by the board and the project documents currently being developed by the Client Services Team. Design Team procurement is scheduled for end of April with Contractor procurement in early May. The decant strategy for the project involves use of the former Sacred Heart PS decant facility after the completion of the St Patrick's PS project. It is also planned to accommodate the existing Nursery Class within temporary modular accommodation within the existing school grounds during the construction period similar to the approach taken on the current Kilmacolm PS project. The target programme anticipates construction start in Easter 2017 to complete by Easter 2018. The Client Services Team are maintaining regular contact with the school and Parent Council throughout the design development stages.

8.0 SEMP 2020 & EARLY YEARS PROJECTS

- 8.1 A report on options for the acceleration of the remaining projects within the School Estate Management Plan and works required across the Early Years Estate beyond the projects identified in the current approved capital programme was submitted to the January 2016 Committee. The Committee identified a preferred option and agreed that the proposals be remitted to the budget process. The budget set on 10th March confirmed funding and support for the proposals (Option 1) with Officers now engaged on the delivery of the various projects. A summary of the projects and current status is provided below:
- 8.2 **Lady Alice Primary School Refurbishment:**
The Client Services Team have developed the initial brief in consultation with the school and have issued to the Council's Technical Services section who will be taking forward the design of the project. The decant strategy for the project involves use of the former St Stephen's HS decant facility after the completion of the Kilmacolm PS project. It is also planned to accommodate the existing Nursery Class within temporary modular accommodation within the existing school grounds during the construction period similar to the approach taken on the current Kilmacolm PS project. The target programme anticipates construction start in Easter 2017 to complete by Easter 2018. Engagement with the Parent Council and wider stakeholders is programmed to commence shortly.
- 8.3 **St Ninian's Primary School New Build:**
The Client Services Team have taken forward initial meetings with the School senior management on the proposals. The procurement of the project is being progressed through hub West Scotland with the project approved by the board and the project documents and programme are currently being developed by the Client Services Team / hub West Scotland. The Design Team and Contractor procurement arrangements are currently being finalised. The strategy for the project involves construction of a new facility on the disused blaes pitch area opposite the recently constructed multi-use games area with the school remaining in its existing accommodation during the construction phase. Transfer to the new facility on completion will be followed by demolition of the existing building. The target programme anticipates construction start in Easter 2017 to complete by 2nd Quarter 2018. Engagement with the school staff, Parent Council and wider stakeholders is programmed to commence shortly.
- 8.4 **St Mary's Primary School Refurbishment & Extension:**
The Client Services Team have taken forward an initial meeting with the School senior management to advise on the proposals. The decant strategy for the project involves use of the former Sacred Heart PS decant facility after the completion of the Moorfoot PS project. As part of the proposals for the Early Years Estate it is planned to relocate the Nursery within St Mary's through provision of a new West End of Greenock Early Years Facility (para 8.7 below). The target programme anticipates construction start in Easter 2018 to complete by Easter 2019. Formal consultation will commence at the appropriate time (circa 1 year prior to projected construction start date).
- 8.5 **Gourock Primary School Extension:**
The Client Services Team have taken forward an initial meeting with the School senior management to advise on the proposals. The project involves the provision of a new gym/assembly hall extension and associated accommodation. The project will be taken forward with the school operational similar to that undertaken at Inverkip PS. The target programme anticipates construction start in Easter 2018 to complete by Easter 2019. Formal consultation will commence at the appropriate time (circa 1 year prior to projected construction start date).
- 8.6 **Bluebird Family Centre Refurbishment:**
The brief for the above project has been developed in consultation with the centre and Early Years Service. Technical Services have commenced the design work. Decant

options are currently being investigated with the preference to temporarily accommodate the centre within St Joseph's PS subject to agreement of the arrangements with the Care Commission. The programme is currently being developed however it is anticipated that construction could commence circa October 2016 with a construction phase of approx. 9 months.

8.7 New Build West End of Greenock Early Years Facility:

The proposals involve the provision of a new facility to replace the existing Kelly Street Children's Centre and Nursery within St Mary's PS. The procurement of the project is being progressed through hub West Scotland with the project approved by the board and the project documents currently being developed by the Client Services Team. The Design Team and Contractor procurement arrangements are currently being finalised. The target programme anticipates construction start in Easter 2017 to complete by 1st Quarter 2018. Engagement with the Centre and Nursery staff and wider stakeholders is programmed to commence shortly.

8.8 Glenbrae Children's Centre Relocation:

The proposals involve the relocation of the Centre within the current Aberfoyle Road Offices which will be the subject of comprehensive refurbishment / remodelling. The Client Services Team are currently developing the initial brief in conjunction with the Early Years Service for issue to Council's Technical Services section who will be taking forward the design of the project. The programme is being developed but it is anticipated that the works could commence in 1st Quarter 2017 with a construction phase of approx. 9 months. The start date will be subject to the completion of the former District Court Offices project (currently on site) and relocation of Property / Technical Services from the Aberfoyle Road Offices. Engagement with the Centre staff and wider stakeholders is programmed to commence shortly.

8.9 Hillend Children's Centre Refurbishment:

The proposals involve the comprehensive refurbishment of the existing building. The decant strategy for the project involves use of the existing Glenbrae Children's Centre building which will be vacated following transfer to their new building (para 8.8 above). The Client Services Team will develop a brief in conjunction with the Early Years Service and the Centre for issue to Council's Technical Services section who will be taking forward the design of the project in due course. The programme is being developed but will be informed by the Glenbrae project progression given the links outlined above. Engagement with the Centre staff and wider stakeholders will be taken forward at the appropriate stage.

8.10 Larkfield Children's Centre:

The proposals involve the long term retention of the facility following the final use of the former Sacred Heart PS decant facility which will now be in 2019/20. There has been recent significant investment (October 2015) in the facility through partial refurbishment and internal remodelling to address core suitability issues and care commission publication requirements. Further building fabric upgrade will be taken forward at the time of partial demolition of Sacred Heart and elemental upgrade / refurbishment will be taken forward in phases utilising the existing lifecycle budget over the next few years. Engagement with the Centre staff and wider stakeholders will be taken forward at the appropriate stages.

8.11 Care Commission Guidance Works:

Alterations/adaptations are required across various facilities to address recent publications on hand hygiene and nappy changing. A programme of works has been prepared with works currently on-going at Inverkip PS and Whinhill PS over the spring break holiday. The majority of remaining alterations are programmed for summer 2016.

9.0 IMPLICATIONS

Finance

9.1 The expenditure at 31st March 2016 is £8.666m from a budget of £6.5m. This is expenditure of 133.32% of the approved budget at the year end. No slippage is currently being reported with net accelerated spend of £2.295m. It should be noted however that this position is pending completion of the final year end accounting process including accruals. 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 previously reported and noted in 5.3 above.
- Ardgowan PS Refurbishment & Extension – increased spend in the current year due to retaining wall works and expenditure previously reported to Committee and final account agreement noted in 5.1 above.
- St Patrick’s PS New Build – increased spend in the current year due to good progress made on site.
- St Francis PS External Works – decreased spend in the current year due to tenders returned under budget (balance returned to contingency in future years).
- Lifecycle Fund – increased spend due to good progress on areas of expenditure and advance works for 2016/17 lifecycle projects (projects taken to tender / tender acceptance stage).
- Free School Meals Capital Grant – revised projection (decrease).
- Primary School MUGAs – overall slight decreased spend in the current year due to projected budget underspend however the original significant projected underspend has been mitigated through progression of the Moorfoot PS and Gourrock PS MUGA projects.

9.2 The current budget position reflects the following:

- SEMP model approved by Committee in November 2015 updated to reflect accelerated proposals (Option 1) as reported to January 2016 Committee.
- Grant funding received in respect of implementation of the Children & Young People Bill and Free School Meals.
- Grant funding projected to be received in respect of project specific awards in connection with the Scotland’s Schools for the Future programme.

The current budget is £58.125m, made up of £54.422m SEMP Supported Borrowing, £1.930m Non-SEMP Supported Borrowing and £1.773m Prudential Borrowing. The Current Projection is £58.125m.

Education & Communities	Approved Budget £000	Current Position £000	Overspend / (Underspend) £000
Total School Estate	56,195	56,195	-
Total Non School Estate	1,930	1,930	-
Total	58,125	58,125	-

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

Legal

9.5 There are no legal issues.

Human Resources

9.6 There are no human resources issues.

Equalities

9.7 Has an Equality Impact Assessment been carried out?

X

YES (see attached appendix)

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

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

10.0 CONSULTATION

10.1 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.

10.2 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.

11.0 LIST OF BACKGROUND PAPERS

11.1 Education Capital Programme Technical Progress Reports March/April 2016. (A technical progress report is a project specific report which details the financial and progress position for current projects which have a legal commitment).

EDUCATION CAPITAL REPORT APPENDIX 1

COMMITTEE: EDUCATION & COMMUNITIES



Project Name	1	2	3	4	5	6	7	8	9	10	11
	<u>Est Total Cost</u>	<u>Actual to 31/3/15</u>	<u>Approved Budget 2015/16</u>	<u>Revised Est 2015/16</u>	<u>Actual to 31/03/16</u>	<u>Est 2016/17</u>	<u>Est 2017/18</u>	<u>Future Years</u>	<u>Start Date</u>	<u>Original Completion Date</u>	<u>Current Completion Date</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>			
SEMP Projects											
Demolish Greenock Academy	760	641	71	119	118	0	0	0	Jan-15	-	Aug-15
Demolish St Stephens HS	500	500	0	0	0	0	0	0	Jan-17	-	Jun-17
Ardgowan PS - Refurbishment & Extension	6,365	5,378	333	987	915	0	0	0	Apr-14	Apr-15	Aug-15
St Patrick's PS - New Build	7,012	123	1,975	2,876	2,876	3,613	400	0	Aug-15	-	Oct-16
St John's PS - Refurbishment & Extension	2,946	869	1,675	1,661	1,619	316	100	0	Dec-14	-	Sep-15
Kilmacolm PS - Refurbishment	4,270	56	958	1,490	1,490	2,424	300	0	Oct-15	-	Oct-16
Early Years (C&YPB - 600Hrs + 2Yr Olds)	561	124	314	437	437	0	0	0	Apr-14	-	Mar-16
Early Years Establishments - Refurbishment/New Build	6,548	0	0	0	0	750	5,378	420	Apr-16	-	Mar-19
St Francis PS - External Works	240	11	327	222	209	7	0	0	Jun-15	-	Aug-15
Free School Meals Capital Grant	60	0	60	33	33	0	27	0	Apr-15	-	Mar-17
Lifecycle Fund	2,628	378	210	380	379	142	1,728	0	Apr-14	-	Mar-18
Balance of Contingency	95	0	65	0	0	36	59	0			
Moorfoot PS Refurbishment	4,647	0	0	0	0	100	1,814	2,733			
Lady Alice PS - Refurbishment	3,206	0	0	0	0	200	2,929	77			
St Ninian's PS - New Build	9,280	0	0	0	0	176	8,235	869			
Gourock PS - Extension	1,704	0	0	0	0	0	126	1,578			
St Mary's PS - Refurbishment & Extension	5,291	0	0	0	0	0	150	5,141			
Complete on site	585	0	0	24	24	0	561	0			
TOTAL SEMP	56,698	8,080	5,988	8,229	8,100	7,764	21,807	10,818			
Non-SEMP Projects											
Whinhill/St Ninians PS - MUGA/Blaes Pitch Upgrades	625	504	26	87	87	34	0	0	Apr-14	-	Aug-15
Primary School MUGA's - Various	802	49	486	479	479	174	100	0	Apr-14	-	May-16
TOTAL non-SEMP	1,427	553	512	566	566	208	100	0			
TOTAL ALL PROJECTS	58,125	8,633	6,500	8,795	8,666	7,972	21,907	10,818			

ARDGOWAN PRIMARY SCHOOL - REFURBISHMENT & EXTENSION

TECHNICAL PROGRESS REPORT: APRIL 2016

ITEMS REQUIRING SPECIFIC APPROVAL IN TERMS OF THE COUNCIL'S FINANCIAL REGULATIONS

VARIATIONS IN THE CONTRACT RESULTING IN THE APPROVED COST BEING EXCEEDED

<p><u>1. Additional works - Masonry / stone repairs</u></p> <p>The original scope of works was based on a pre-contract survey which was restricted in terms of access. Following closer inspection from the full scaffold significant additional repairs, re-pointing were identified.</p>	£	153,240
<p><u>2 Additional works - Strip and re-slating pitched roofs</u></p> <p>The original scope only included works to new roofs and areas of the roof being impacted by the alterations. Following opening up and access from the full scaffold more extensive works were identified as required to address missing felt etc. with full strip and re-slating to provide the roof with the same extended life as the remainder of the refurbished building.</p>	£	185,260
<p><u>3. Additional works - Reinstatement/replacement of Finnart Street retaining wall</u></p> <p>The Finnart Street retaining wall was damaged during the works. The wall has been completely replaced with part of the expenditure offset via insurance recovery (noted below).</p>	£	253,000
<p><u>4. Alteration/variations to original construction drawings / design development</u></p> <p>There were a number of items in connection with variations to contract works to suit existing conditions and design development. The net impact of accumulated minor variations expended the majority of the contract contingency / provisional sums.</p>	-£	15,417
<p><u>5. Direct costs</u></p> <p>Actual costs in connection with fees, loose furniture and equipment, directly procured utility connections and related works.</p>	-£	14,041
<p><u>6. Prolongation costs</u></p> <p>Items 1-2 above resulted in a delay to the contract and an extension of time granted to the Contractor with associated Contractors loss and expense/overrun costs.</p>	£	65,000
SUB-TOTAL	£	627,042
Lifecycle fund allocation approved at January 2015 Committee	-£	100,000
Lifecycle / contingency fund allocation approved by Emergency Powers summer 2015	-£	250,000
Insurance recovery - retaining wall	-£	114,750
TOTAL INCREASE IN PROJECT WORKS	£	162,292