

## The Highland Council

### Education, Children and Adult Services Committee 14 January 2015

Agenda Item	5.
Report No	ECAS 02/15

#### Capital Expenditure 2014/15 – Monitoring

#### Report by Director of Care and Learning

##### Summary

This report advises on progress with the Care and Learning capital programme and the monitoring forecast for the period to end November 2014, and provides an update on various other matters.

#### 1. Background

- 1.1 Section 2 informs of the current position with regard to expenditure on the 2014/15 Care and Learning capital programme and advises of some recent developments and initiatives that are underway.
- 1.2 Section 3 updates on progress on the proposed changes to the future arrangements for the Care and Learning residential estate.

#### 2. Capital Programme

- 2.1 **Capital Monitoring: Appendix 1** provides details of the expenditure on the 2014/15 programme to the end of November 2014. The estimated final year-end position is an under-spend of £7,383,000. The position at the end of September as reported to the last meeting of this Committee was an under-spend of £5,000,000. The increase in the under-spend is entirely due to the previously reported delay to completion of the new Noss Primary School project. This has resulted in a reduction of £2,657,000 in the estimated expenditure this financial year, although this has been offset to some extent by additional expenditure on other projects.
- 2.2 **Appendix 2** provides an update on major capital projects.
- 2.3 **Free School Meals:** Highland Council has been allocated £5,000,000 of capital funding by the Scottish Government to support the introduction of free school meals for Primary 1 to 3 pupils from January 2015. The projects that will be funded from this allocation are currently being finalised and details will be reported to the next meeting of this Committee.
- 2.4 **The School Estate, Future Investment Priorities:** Work is continuing to identify future capital investment priorities in the school estate in line with the approach outlined at previous meetings of this Committee. This approach takes account of the three “Core Facts” (Condition, Suitability and Sufficiency) along with a range of other initiatives and pressures (including Additional Support Needs, Early Learning and Childcare, Gaelic Medium Education and School Meals). An update on the likely priorities will be reported to the next meeting of this Committee. It should be noted however that the timing of any new projects will be dependent on the amount of funding available in future years from the generic budget headings of Life Cycle

Investment, Roll Pressures and Sustainable School Estate Review following the review of the Council's overall programme.

2.5 **Primary School Roll Pressures in Inverness:** Work is underway on the exercise to evaluate the implications of the significant roll pressures faced by a number of schools in Inverness in the coming years. Consideration is being given to a range of potential options to address these in the short to medium term and it may be that a combination of two or more of these will be necessary in some cases. The availability of capital funding may have an impact on the nature and timing of some of the recommendations that will eventually be proposed. However, the completion of this exercise will mean that all of the various factors that may affect school provision in the future will be taken into account in any future decisions on capital investment in the school estate. A report was submitted to the City of Inverness Area Committee on December 2<sup>nd</sup> 2014. Consultation with Head Teachers and Ward Members has since commenced and will continue until the evaluation process has been completed. Further reports will be brought to future meetings of this Committee as necessary.

2.6 **Wick Joint Campus:** Since the last report to committee, there are a number of positive developments to advise members. Firstly, as agreed at the November Committee, the scope of early works contracts for the Campus project were extended to maintain continuity on site and overall programme while work to sign off the main DBFM (design, build, finance and maintain) contract was finalised. Secondly, on 19 December, financial close for the Campus project was finally achieved and the main DBFM contract is now signed off. The capital cost of the project is £48.5m which is within the affordability cap agreed by the Council, and the contractual completion date for the campus is 16 September 2016. As part of the financial close process, formal confirmation of 100% funding for the project from Scottish Government was received. Finally, in relation to ongoing revenue costs for the project, as part of the 25 year facilities management agreement with the contractor (covering ongoing facilities management plus lifecycle costs), the costs are as per the agreed affordability limit of £550k p.a. plus indexation with the exception of a minor uplift of £1,700 p.a. to address contractor mobilisation costs.

### 3. Other Matters

3.1 **Residential Estate:** Letters were issued to all tenants in December advising them of the current position. Discussions are ongoing with colleagues in Housing over the future management arrangements and the investment required in these properties.

### 4. Implications

4.1 **Resources** – the forecast out-turn is as per **Appendix 1**.

4.2 **Climate Change/Carbon Clever** – All new projects are designed in accordance with the Council's policies on this.

4.3 **Risk** – All major projects are subject to a full risk management process.

4.4 **Gaelic** – There is a commitment to provide new schools in Fort William and Portree.

4.5 There are no particular **Legal, Equalities** or **Rural** implications.

## **5. Recommendations**

5.1 Committee is asked to note:

- 1) the position as at the end of November 2014 for the 2014/15 capital programme as outlined in Paragraph 2.1 and detailed in **Appendix 1**;
- 2) the status of major capital projects as per **Appendix 2**;
- 3) that details of the projects to be funded from the £5,000,000 allocation from the Scottish Government to support the introduction of free school meals for Primary 1 to 3 pupils will be brought to the next meeting of this Committee as detailed in Paragraph 2.3;
- 4) that details of the likely future investment priorities for the school estate will be brought to the next meeting of this Committee as detailed in Paragraph 2.4;
- 5) the progress to date with the exercise to evaluate the implications of the roll pressures facing a number of primary schools in Inverness over the next few years as detailed in Paragraph 2.5;
- 6) the contractual progress with the Wick campus project and final cost position as detailed in Paragraph 2.6;
- 7) the current position with regard to the properties on the Care and Learning residential estate as detailed in Paragraph 3.1.

**Signature:** Bill Alexander

**Designation:** Director of Care and Learning

**Date:** 20<sup>th</sup> December 2014

**Authors:** Brian Porter, Head of Resources, Care and Learning  
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SERVICE: CARE AND LEARNING

Project Description	BUDGET			ACTUAL			VARIANCE
	A	B	C	D	E	+/-	F
	Gross Expenditure £(000)	Income £(000)	Net Expenditure £(000)	Net Expenditure to date £(000)	Net Estimated Outturn £(000)	To Date to Outturn £(000)	Col E minus Col. C £(000)
Acharacle Primary - New School	8	0	8	3	8	5	0
Aviemore Primary - New School	95	304	(209)	22	(209)	(231)	0
Ben Wyvis Primary - New School	75	0	75	18	75	57	0
Central Primary - Refurbishment	1,251	0	1,251	1,320	1,501	181	250
Cromarty Primary - Extension/Refurbishment	1,738	0	1,738	288	488	200	(1,250)
Fort William - New Caol Joint Campus and Community Centre	5,400	0	5,400	561	2,900	2,339	(2,500)
Fort William - New Gaelic Primary	5,661	0	5,661	2,758	5,661	2,903	0
Fort William - New Lundavra Primary	7,799	0	7,799	3,293	7,299	4,006	(500)
Inverness Primary Schools - Phase 1 - Holm	15	0	15	1	15	14	0
Inverness Primary Schools - Phase 2 - Raigmore	59	0	59	20	59	39	0
Inverness Primary Schools - Phase 2 - Smithton	45	0	45	67	70	3	25
Inverness Primary Schools - Phase 1 - Lochardil	15	0	15	0	15	15	0
Milton of Leys Primary - New School	0	0	0	0	1	1	1
Milton of Leys Primary - Extension	577	0	577	561	577	16	0
Portree - New Gaelic Primary	1,023	1,000	23	101	23	(78)	0
Wick - New Noss Primary	8,101	0	8,101	2,867	5,444	2,577	(2,657)
<b>Special Schools Programme</b>							
Black Isle Education Centre - Replacement	0	0	0	4	0	(4)	0
St Clements - New Annexe	402	0	402	2	800	798	398
St Duthus - Replacement Accommodation	1,167	0	1,167	141	1,700	1,559	533
<b>Health &amp; Social Care Programme</b>							
Adult Services (NHS) (Baseline Bid)	1,111	0	1,111	208	561	353	(550)
Avoiding out of area Children's Placements	502	0	502	0	52	52	(450)
Childrens Services (HSC) Investment	259	0	259	4	259	255	0

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New children's unit, Wick	390	0	390	225	390	165	0
<b>Estate Management</b>							
Catering, Cleaning and Facilities Management	200	0	200	101	200	99	0
Early Years and Childcare (600 hours)	1,467	0	1,467	675	1,467	792	0
Estate Strategy - Life Cycle Investment	2,010	0	2,010	3,394	3,750	356	1,740
Estate Strategy - Roll Pressures	572	72	500	785	800	15	300
Former Achintore School	10	0	10	0	10	10	0
ICT Investment	150	0	150	222	250	28	100
Radon Remedial Works	0	0	0	54	250	196	250
Sustainable School Estate Review	150	0	150	96	150	54	0
<b>OVERALL TOTAL</b>	<b>65,513</b>	<b>1,376</b>	<b>64,137</b>	<b>29,027</b>	<b>56,754</b>	<b>27,727</b>	<b>(7,383)</b>

**APPENDIX 2 - STATUS OF MAJOR CAPITAL PROJECTS AS AT 19/12/2014**

Project	Progress Report	Start Date		Completion Date		Total Project Cost		
		Programmed	Actual/ Estimated	Programmed	Actual/ Estimated	Approved	Estimated Final	
<b>AT POST-CONTRACT STAGE</b>								
1	Mount Pleasant Primary - Roof and Window Replacements	Works complete, outstanding items being addressed.	June 2014	July 2014	August 2014	November 2014	£800,000	£800,000
2	Pennyland Primary - Roof and Window Replacements	Works complete, outstanding items being addressed.	June 2014	July 2014	August 2014	November 2014	£700,000	£700,000
3	Central Primary - Kitchen/Dining, Nursery and Doorways	Works complete, outstanding items being addressed.	September 2013	March 2014	January 2014	December 2014	£1,500,000	£1,750,000
4	Invergordon Leisure Centre - Extension/Internal Alterations	Works progressing on site.	July 2013	August 2014	November 2013	January 2015	£990,000	£990,000
5	Thurso Library - Refurbishment	Works progressing on site.	March 2014	October 2014	December 2014	May 2015	£1,250,000	£1,250,000
6	St Duthus School - Replacement Accommodation	Contract awarded.	July 2014	December 2014	August 2014	June 2015	£2,500,000	£2,500,000
7	St Clements School - New Annexe	Contract awarded.	July 2014	TBC	August 2014	TBC	£1,800,000	£1,800,000
8	Lochaber High Phases 3 and 4	Phase 3 works to be completed by April 2015; Phase 4 by July 2015.	June 2013	June 2013	June 2015	July 2015	£16,000,000	£16,000,000
9	New Gaelic Primary School, Fort William	Works progressing on site.	May 2014	April 2014	July 2015	July 2015	£8,000,000	£8,000,000
10	Inverness Leisure - Refurbishment	Works progressing on site.	June 2013	September 2014	January 2014	July 2015	£3,500,000	£3,500,000
11	New Primary School, Lundavra Road, Fort William	Works progressing on site.	January 2014	May 2014	April 2015	October 2015	£12,000,000	£12,000,000

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		Programmed	Actual/ Estimated	Programmed	Actual/ Estimated	Approved	Estimated Final	
12	New Noss Primary School, Wick	Works progressing on site.	May 2014	June 2014	June 2015	October 2015	£14,500,000	£14,500,000
13	Cromarty Primary - Extension and Refurbishment	Work to commence on site in January.	July 2013	January 2015	May 2014	November 2015	£2,750,000	£2,750,000
14	New Primary School/Community Centre, Caol Joint Campus	Works progressing on site.	October 2013	October 2014	July 2015	School - August 2016; Final - December 2016	£15,500,000	£15,500,000
15	Inverness Royal Academy	Works progressing on site.	May 2014	August 2014	June 2016	June 2017	£35,400,000	£35,400,000
<b>AT DESIGN STAGE</b>								
16	Thurso Swimming Pool - Extension and Refurbishment	Out to tender.	January 2013	February 2015	December 2013	November 2015	£2,000,000	
17	Portree Hostel - Refurbishment of Elgin Hostel Building	Out to tender.	January 2015	April 2015	December 2015	December 2015	£3,500,000	
18	Wick Community Campus	Work progressing on site under Early Works Contracts.	September 2012	September 2014	July 2014	September 2016	£48,500,000	
19	New Gaelic Primary School - Portree	Design in progress.	July 2016	April 2016	July 2017	July 2017	£8,750,000	
20	Spean Bridge - Classroom Unit	Planning approved. Awaiting PPP Approval.	TBC	TBC	TBC	TBC	£500,000	