

**The Highland Council**  
**Education, Children and Adult Services Committee**  
**11 November 2015**

Agenda Item	5.
Report No	ECAS 93/15

**Care and Learning Capital Programme – Monitoring Report**

**Report by Director of Care and Learning**

**Summary**

This report provides an update on the Care and Learning capital programme, and sets out the monitoring position for the current financial year to the end of September 2015.

**1. Capital Monitoring Position**

- 1.1 This report reflects a new corporate approach to capital monitoring, in response to recommendations from an Audit Scotland national report which was considered by Resources Committee in May 2015.
- 1.2 The revised approach places a greater emphasis on the monitoring of major projects (those with a value greater than £1m), and the monitoring of those projects on a full project life (multi-year) basis. The revised approach introduces an enhanced level of information and transparency in relation to the monitoring of capital projects. The approach therefore introduces the following new appendices to this statement:
- **Appendix 1** – a monitoring position for major projects on a multi-year basis, giving information on both cost and programme projections, against the baseline position.
  - **Appendix 2** – in year 2015/16 programme cash flow monitoring report for entire programme (broadly the same format as used for previous capital monitoring reports).
- 1.3 Further narrative in relation to major projects (appendix 1) is set out in section 2. In relation to the in-year monitoring position (appendix 2), this shows an underspend of £1.538m. This is a slight improvement from the position reported to October, which showed an in-year underspend of £1.917m. The main factors in the change are slight reductions in in-year cash flow forecasts for Inverness Royal Academy, Caol Joint Campus, Wick Noss Primary and Out of Area Children's Placements, with increased cash flow forecast and funding adjustments for Portree Hostel.

**2. Major Projects Update**

- 2.1 **Appendix 1** sets out the monitoring position for all major projects within the capital programme (projects greater than £1m). The appendix sets out the total project budget and project timeline for these projects, on a multi-year basis, baselined on the March 2015 capital programme. Any change against the baseline position will be highlighted and explained within this report.
- 2.2 Achievements to report include the opening of Lundavra Primary School, Fort

William on 28<sup>th</sup> October, and the re-opening of Thurso Library following the completion of the recent £1.2m refurbishment project.

2.3 Members are advised that a Regeneration Grant Fund bid for a Merkinch Family Centre/Community Centre project received Stage 1 approval on 8 September. The timescales for the grant did not allow for a report to Committee in advance of submission. However, the submission was discussed with senior and local Members, and since that time discussions with local stakeholders have been ongoing. A Stage 2 application has now been submitted based upon the construction of a new combined family and community centre, replacing existing facilities within the area, and with additional community and leisure facilities representing a significant enhancement of provision within that part of the City. The estimated project costs are £10m, with £2m bid against the fund, and £1m assumed from the Children's Services capital budget. This would leave a sum of £7m to be found. Subject to the outcome of the Stage 2 process, a formal decision in relation to this project would be required, with the following options to be considered: existing Care and Learning generic capital budgets, slippage or re-prioritising of existing projects, corporate funding outwith Care and Learning capital programme.

2.4 In relation to Alness Academy, the Parent Council is scheduled to meet on 10 November, and the Director of Care and Learning will be attending to update on the status of the funding bid to Scottish Government, and to discuss current short-term needs within the school. While the Council still awaits a formal notification in relation to funding, it is understood that at a national level there has been some progress in relation to the technical issues which are impacting on the Scottish Government's NPD (non-profit distributing) and Hub funding models.

2.5 Major matters to highlight from within appendix 1 are as follows:

- There are no changes in project completion dates to report to this Committee. In relation to the Tain 3-18 Campus, the programme is being reviewed as part of ongoing planning for the project, with an updated position to be confirmed in the coming weeks following conclusion of that work.
- In relation to total project cost, there are a number of changes shown compared to the March 2015 agreed capital programme which have been the subject of previous reports to this Committee.
- Work is underway to assess updated project cost estimates for some projects where cost increases are expected. This includes the extension and refurbishment of Cromarty Primary School (as previously reported) and the provision of new accommodation at St Clement's and St Duthus Schools. An update will be provided to the next Committee, including funding implications.

2.6 **Caol Joint Campus:** The project to provide a new building to house both Caol Primary School and St Columba's RC Primary School along with a new Caol Community Centre building is progressing well, with the new Community Centre now complete. A number of major challenges have been encountered

and have been addressed from within the funding approved for this project. However, the most recent of these would involve the relocation and replacement of the existing community multi-use games area, which is in relatively poor condition, along with the widening of Glenkingie Street and other off-site works to address potential traffic and parking problems in the area. These measures would significantly improve the layout of the overall scheme. and result in significant benefits to the local community. However, it would not be possible to fund the total cost of these works from within the remaining balance within the overall budget for the Fort William Primary Schools. It is therefore recommended that additional funding of £250,000 is allocated from the Life Cycle Investment budget. It should be noted that the current approved budget for these projects is £35.44m, which is lower than the approved budget of £36.5m prior to tender.

### **3. Update on Other Projects**

- 3.1 As reported to the October Committee, work is now underway on the process for establishing future capital investment priorities for generic budget lines. Some initial Ward meetings have taken place to capture Member views on priorities, and the programme of Ward meetings is being developed with the target of all Ward meetings taking place this calendar year.
- 3.2 Pending the conclusion of these meetings, and a further report back to Committee, where there are any pressing projects to be progressed, these will be brought before Committee. However, the matters in the following two paragraphs are highlighted for approval within this report.
- 3.3 **Inverness Schools:** Previous reports to this Committee have outlined the likely priorities to be funded from the overall allocation of £48m in the capital programme. Feasibility studies relating to an Additional Support Needs annexe at Cauldeen Primary School and an extension to Smithton Primary School are well advanced and details of the total cost of these projects will be reported to the next meeting of this Committee. However, due to the pressing need for this additional accommodation, it is recommended that design work on both projects commences as soon as possible.

### **4. School Statutory Consultations**

- 4.1 **North West Skye:** The Council's appeal against the School Closure Review Panel (SCRCP) decision in relation to the Council's proposals for North West Skye, will be heard at Portree Sheriff Court on 16 November, with the hearing expected to take 2 - 3 days.
- 4.2 **Strontian:** the outcome of the Parent Council ballot was in support of the proposal for the community, in conjunction with a Housing Association, to develop and construct a new facility which is in turn leased to the Council for the purposes of primary school provision. The facility would be designed such, that it could be relatively easily converted to other uses at a future point - e.g. housing - thereby giving the community a legacy asset should educational provision be reviewed in the future. The Council will now be involved in further discussions with the Parent Council, local community and Highland Small Communities Housing Trust on how to progress more detailed feasibility work.

- 4.3 **Inverasdale:** is the subject of a separate report on this agenda, recommending formal closure.
- 4.4 **Dalwhinnie:** Informal discussions with local members, parent and community councils have taken place, and officers are now considering options, taking account of updated roll forecasts. A report is expected to come back to Committee early in the new year.
- 4.5 **Black Isle Education Centre:** as previously reported to Committee, a statutory consultation to formally close the centre as a school, and establish new provision for on-site teaching and support and outreach to schools is expected to commence early in 2016.
- 4.6 **Other Mothballed Schools:** As previously reported, the Council has four further mothballed primary schools; Achfary, Kinbrace, Torridon and Uig, with reviews of each commencing over the coming 12 month period. Discussions will take place with local members in advance of any other stakeholder discussions, or any report back to Committee.

## 5. Implications

- 5.1 **Resource:** Are as set out within this report and appendices.
- 5.2 **Legal:** As set out at paragraph 4.1, the Council is appealing the decision in relation to the Council's North West Skye school proposals. There are no other legal implications to highlight.
- 5.3 **Equalities:** No specific implications to highlight within this report. The capital programme will be utilised to improve access and meet specific needs as part of ongoing investment.
- 5.4 **Climate Change/Carbon Clever:** All major projects aim to improve the carbon emissions associated with the existing provision, where this is feasible.
- 5.5 **Risk:** Risk assessment and ongoing monitoring is undertaken as part of capital project management. The enhanced capital monitoring in relation to major projects improves risk management arrangements and visibility to members of the current position for these projects.
- 5.6 **Gaelic:** Tenders are being reviewed for the new Portree Gaelic Primary School, which is due to open in 2017.
- 5.7 **Rural:** Capital investment is directed to both rural and urban Care and Learning facilities. In relation to school statutory consultations, rural factors are taken account of as required by legislation.

## **6. Recommendations**

6.1 Committee is asked to:

1. Approve the capital monitoring position to the end of September 2015 as set out within **Appendices 1 and 2**;
2. Note the current status of major projects as outlined in **Appendix 1**;
3. Approve the allocation of £250,000 from the Life Cycle Investment budget heading for additional works at the Caol Joint Campus project as outlined in Paragraph 3.3;
4. Agree that design work should start as soon as possible on the proposed projects to provide additional accommodation at Cauldeen and Smithton Primary Schools as outlined in Paragraph 3.4.

Designation: Director of Care and Learning

Date: 2 November 2015

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**WHOLE OF LIFE PROJECT MONITORING- MAJOR PROJECTS**

For the purpose of the ECAS committee monitoring a 'major project' is one with a value over £1m

**Appendix 1**

Project Name	Status	APPROVED BUDGET- COUNCIL MARCH 2015	CURRENT APPROVED TOTAL PROJECT BUDGET	TOTAL PROJECT SPEND TO DATE	FORECAST TOTAL PROJECT SPEND	FORECAST END OF PROJECT VARIANCE	PROJECT COMPLETION DATES		
		£000	£000	£000	£000	£000	PLANNED AT MARCH 2015	ESTIMATED - PREVIOUS ECAS COMMITTEE AUG 2015	CURRENT - ECAS COMMITTEE NOVEMBER 2015
Dornoch Sports Centre	Design	3,000	3,000	-	3,000	-	Mar-17	Mar-17	Mar-17
Thurso Swimming Pool	Construction	2,100	2,700	292	2,700	-	Jan-16	Jan-16	Jan-16
Inverness Leisure	Complete	6,500	6,500	3,576	6,500	-	Jul-15	Jul-15	Jul-15
Thurso Library	Complete	1,200	1,200	1,221	1,200	-	Sep-15	Sep-15	Sep-15
Inverness High School	Design	10,000	10,000	163	10,000	-	Aug-18	Aug-18	Aug-18
Inverness Royal Academy	Construction	39,010	39,010	21,417	39,010	-	Jun-17	Jun-17	Jun-17
Lochaber High Phase 3 & 4	Construction	15,885	16,135	14,732	16,135	-	Sep-15	Oct-15	Oct-15
Portree HS Hostel	Construction	4,020	4,020	1,711	4,020	-	Dec-15	Jan-16	Jan-16
Wick Joint Campus (net of SG grant paid direct to contractor)	Construction	5,350	5,350	2,453	5,350	-	Apr-17	Apr-17	Apr-17
Beauly Primary School	Design	10,000	10,000	-	10,000	-	Aug-19	Aug-19	Aug-19
Central Primary - Refurbishment	Complete	1,775	1,775	1,769	1,775	-	Dec-14	N/A	N/A
Cromarty Primary - Extension/Refurbishment	Construction	2,750	2,750	1,907	2,750	-	Dec-15	Dec-15	Dec-15
Fort William - Caol/RC Joint Campus	Construction	15,690	15,690	7,894	15,690	-	Dec-16	Dec-16	Dec-16
Greater Fort William Primaries incl Gaelic / New Gaelic Primary	Complete	8,000	7,750	7,342	7,750	-	Jun-15	Jun-15	Jun-15
Fort William - New School at Lundavra	Complete	12,000	12,000	10,339	12,000	-	Oct-15	Oct-15	Oct-15
Portree Gaelic Primary School	Tender	9,285	9,285	691	9,285	-	Jul-17	Jul-17	Jul-17
Wick - New Noss Primary	Construction	16,650	16,650	8,998	16,650	-	Oct-16	Oct-16	Oct-16
Black Isle Education Centre Replacement	Feasibility	2,000	2,000	-	2,000	-	Mar-18	Mar-18	Mar-18
St Clements St Duthus Schools - Additional Accommodation	Complete	4,580	4,580	4,783	4,580	-	Aug-15	Aug-15	Aug-15
Residential Unit for Children with Autism	Feasibility	2,000	2,000	-	2,000	-	Mar-18	Mar-18	Mar-18
SSER - Tain 3-18 Campus	Design	45,000	45,000	-	45,000	-	Aug-18	Aug-18	TBC
SSER - North West Skye	Review	10,000	10,000	-	10,000	-	Aug-18	Aug-18	Aug-18
ICT Investment - Additional	Review	2,500	2,500	26	2,500	-	Mar-17	Mar-17	Mar-17
		229,295	229,895	89,314	229,895	-			

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Appendix 2

Summary Heading	Summary Heading	D Cc1 Lev8	Full Year Budget	Year to DateActuals	Year end forecast	Year end Variance	(Slippage)/ Acceleration	Overspend/ (underspend)
CLL	CLL	Am Fasgadh (Highland Folk Museum)	19	6	19	0	0	0
CLL	CLL	Community and Leisure Facilities	1,160	203	760	-400	-400	0
	CLL	Dornoch Sports Centre	100	0	100	0	0	0
CLL	CLL	Invergordon Leisure	99	45	99	0	0	0
CLL	CLL	Inverness Leisure Facility	730	881	730	0	0	0
CLL	CLL	Thurso Library	633	704	633	0	0	0
CLL	CLL	Thurso Swimming Pool	854	46	854	0	0	0
<b>CLL</b>	<b>CLL</b>		<b>3,595</b>	<b>1,886</b>	<b>3,195</b>	<b>-400</b>	<b>-400</b>	<b>0</b>
SEC	SEC	Inverness High - Refurbishment	475	138	475	0	0	0
SEC	SEC	Inverness Royal Academy	18,506	10,173	18,756	250	250	0
SEC	SEC	Lochaber High - Refurbishment Phase 3	2,301	1,648	2,801	500	500	0
SEC	SEC	Portree High School Hostel	3,409	1,170	3,309	-100	-100	0
SEC	SEC	Wick Joint Campus	1,605	108	1,355	-250	-250	0
SEC	SEC	SSER - Tain 3-18 Campus	1,250	0	1,250	0	0	0
	SEC	Secondary Schools - Retentions	65	16	65	0	0	0
<b>SEC</b>	<b>SECONDARY</b>		<b>27,611</b>	<b>13,253</b>	<b>28,011</b>	<b>400</b>	<b>400</b>	<b>0</b>
PRIM	PRIM	Cromarty Primary - Extension/Refurbishment	1,655	862	1,655	0	0	0
PRIM	PRIM	Fort William - New Caol Joint Campus and Community Centre	6,598	3,571	7,098	500	500	0
PRIM	PRIM	Fort William - New Gaelic Primary	1,685	1,197	1,435	-250	-250	0
PRIM	PRIM	Fort William - New Lundavra Primary	3,937	2,513	3,937	0	0	0
PRIM	PRIM	Primary Schools - Retentions	125	101	125	0	0	0
PRIM	PRIM	Portree - New Gaelic Primary	408	86	408	0	0	0
PRIM	PRIM	Wick - New Noss Primary	10,354	2,952	9,854	-500	-500	0
<b>PRIM</b>	<b>PRIMARY</b>		<b>24,762</b>	<b>11,282</b>	<b>24,512</b>	<b>(250)</b>	<b>(250)</b>	<b>0</b>
SPEC	SPEC	St Clements/St Duthus - Modular Accommodation	1,847	2,319	2,097	250	250	0
<b>SPEC</b>	<b>SPECIAL</b>		<b>1,847</b>	<b>2,319</b>	<b>2,097</b>	<b>250</b>	<b>250</b>	<b>0</b>
H&SC	H&SC	Adult Services (NHS) (Baseline Bid)	1,177	162	677	-500	-500	0
H&SC	H&SC	Avoiding out of area Children's Placements	902	160	402	-500	-500	0
H&SC	H&SC	Childrens Services (HSC) Investment	427	224	427	0	0	0

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Appendix 2

Summary Heading	Summary Heading	D Cc1 Lev8	Full Year Budget	Year to DateActuals	Year end forecast	Year end Variance	(Slippage)/ Acceleration	Overspend/ (underspend)
H&SC	H&SC	New children's unit, Wick	153	10	153	0	0	0
<b>H&amp;SC</b>	<b>H&amp;SC</b>		<b>2,659</b>	<b>556</b>	<b>1,659</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>0</b>
Est Mgt	EST MGT	C&YP Act - Households in Receipt of Benefits	1,350	0	100	-1,250	-1,250	0
Est Mgt	EST MGT	Early Years and Childcare (600 hours)	1,002	506	750	-252	-252	0
Est Mgt	EST MGT	Estate Strategy - Life Cycle Investment	751	1,770	2,000	1,249	1,249	0
Est Mgt	EST MGT	Estate Strategy - Roll Pressures	789	608	1,000	211	211	0
Est Mgt	EST MGT	ICT Investment	1,283	26	1,283	0	0	0
Est Mgt	EST MGT	Radon Remedial Works	33	51	33	0	0	0
Est Mgt	EST MGT	SSER - Inverness Schools	500	349	500	0	0	0
Est Mgt	EST MGT	Sustainable School Estate Review	107	1	107	0	0	0
Est Mgt	EST MGT	Free School Meals	746	60	250	-496	-496	0
<b>Est Mgt</b>	<b>ESTATE MGT</b>		<b>6,561</b>	<b>3,371</b>	<b>6,023</b>	<b>(538)</b>	<b>(538)</b>	<b>0</b>
		<b>Totals</b>	<b>67,035</b>	<b>32,667</b>	<b>65,497</b>	<b>-1,538</b>	<b>-1,538</b>	<b>0</b>