

## The Highland Council

### Education, Children and Adult Services Committee 18 May 2016

Agenda Item	6.
Report No	ECAS 31/16

#### Revenue and Capital Budget Update

#### Report by Director of Care and Learning

##### Summary

This report provides an update on the Care and Learning Revenue Budget, Capital Programme, and investment priorities for Inverness Schools.

#### 1. Background

1.1 With this being the first budget report of the new financial year, a combined revenue and capital position has been reflected within this single report to Committee. At this early stage in the year, no financial monitoring statement has been included - an approach being taken across all Council Services for this cycle of Committees. The report does however update members on a number of key matters relating to the revenue budget, the capital programme, and investment priorities for Inverness Schools.

#### 2. Project Management and Governance

2.1 On 25 November 2015, the Resources Committee agreed a new Project Management Governance Policy to be applied effective 1 April to all Highland Council projects. Each Strategic Committee will be receiving an update on how individual Services are implementing the new arrangements.

2.2 In relation to Care and Learning the following actions have been taken:

- Governance – A Care and Learning Capital Programme and Projects Board, acts as a programme and major projects board for all Care and Learning capital projects. That Board in turn reports to the Council Capital Programme Board, chaired by the Director of Development and Infrastructure. Specific project boards are established for ICT related projects within the Service, and these in turn reporting to the ICT Development Board. The Care and Learning Directorate will undertake an over-arching view of all project activity within the Service, and also act as a Higher Project Management Board for all other Project Boards to report to (other than capital or ICT projects).
- Reporting – In line with the Policy, there will be regular reporting to Committee on projects, many of which will be capital in nature and through this regular capital monitoring report. Reporting through the governance structure is typically on an exception basis, with updates and escalation to Higher Project Management Board and/or Strategic Committee, only where required. This Committee routinely gets capital project reports as per the new corporate monitoring approach introduced in late 2015.

- Staff training – the Council has introduced an online learning tool for all staff involved in the management of projects, and each Project Board will ensure that staff involved in project management and project boards undertaking the learning.
- Project feedback – as per the Policy, lessons learned reports are commissioned for major projects, and key matters arising will be reported back to this Committee.

### **3. Revenue Budget Update**

3.1 As stated at paragraph 1.1, at this early stage in the financial year, service monitoring reports are not being provided to Strategic Committees. Work is continuing in relation to the completion of the 2015/16 final accounts, and when available the projected final out-turn position will be reported to Resources Committee by the Director of Finance. Regular reporting of progress with 2016/17 budget savings will form part of regular reporting to all Strategic Committees from August onwards.

3.2 This report therefore focuses on a number of other key matters related to the revenue budget for 2016/17.

### **3.3 3rd Sector and Voluntary organisations funding**

3.3.1 Budget savings against this funding line were agreed in December 2014. All organisations have now been contacted by the Council, by letter, informing them of the impact of the 5% funding reduction agreed for 2016/17. The organisations have also been provided within an application form in relation to 2017/18 funding, when a further 45% reduction in total budget will apply. The changes in funding arrangements will apply from September 2017. Organisations have been given a deadline of 1 August 2016 to apply, and it is intended that officers will present recommendations to a small sub-group of ECAS Committee members, involving each of the political groups, with notification to organisations of decisions by 1 October.

### **3.4 Energy efficiency savings**

3.4.1 The Planning, Development and Infrastructure Committee on 11 May is considering a report on an Energy Efficiency Action Plan. That plan sets out a range of actions to support the Council in delivering energy efficiency improvements, and meeting budget saving targets which are equivalent to 10% across total energy expenditure. One aspect of the financial targets for 2016/17, is a target saving of £0.531m for schools. A working group is being established, which will include representation from schools, to support delivery of the actions identified. A mechanism will be in place, such that where schools are not able to deliver their required share of the saving, this will not impact adversely on their devolved budget.

### **3.5 Vacancies**

3.5.1 As part of the overall Council approach to managing vacancies and the recruitment freeze, the Care and Learning Service Directorate meet weekly to review and

scrutinise all posts proposed for recruitment, seeking justification before any posts are released. Any short-term savings produced as a result of the freezing or temporary hold on posts, contribute towards the saving target agreed by the Council in February 2016. Given the critical and frontline nature of many of the posts within the Service, many posts are released quickly for recruitment where there is justification. During April 2016, there were 143 Care and Learning vacancies which went to advert for recruitment.

3.5.2 Teaching posts are being assessed through the same process, giving consideration to local need as well as the requirement to deliver the necessary budget saving in the secondary sector, as reported to the last Committee.

3.5.3 As at the writing of this report, there are 26 posts within Care and Learning which are currently being held vacant, with further details set out in **Appendix 1**. In many cases, further information is being assessed, and the filling of the post will only be delayed temporarily. All vacancies are reviewed weekly, and consideration is also given to other ways of covering each one (short or long-term).

### 3.6 Inspection and Maintenance Budgets

3.6.1 As members will be aware from previous monitoring reports, the maintenance and inspection budgets have been under pressure for some time, with significant overspend in 2014/15 and again in 2015/16. Members have previously requested further information on the reasons for that overspend position. As previously reported to members, this overspend position is as a result of (a) the establishment of new inspection contracts in recent years, to ensure regular inspection and maintenance of and compliance with health and safety requirements, and (b) the backlog maintenance being identified as a result of these inspections, which is now being caught up and contributing to the overspend position. The table below sets out further information on the inspection contracts in place. Care and Learning officers continue to work closely with officers in Development and Infrastructure who manage these contracts on the Service's behalf. The expectation is that over the next year the levels of maintenance spend will stabilise as backlog issues are addressed. Further reports will come back to Committee clarifying what the sustainable level of ongoing inspection and maintenance spend will therefore be, taking account of other maintenance requirements also.

<b>Analysis of Equipment Inspection and Maintenance Contracts 2015/16</b>	<b>Projected Expenditure 2015/16</b>
Fire Security Systems	171,496.65
Wood Dust Extraction Systems	144,241.56
Inspection Testing of Plant & Equipment	238,084.56
Lifting Equipment Mobility Aids	27,447.93
Sports Gym Equipment	37,646.09
Fixed Electrical Installations	200,249.84
Grease Traps & Sewage Pumps	21,934.35
Synthetic Turf Sports Pitches	57,777.15
Total Projected Expenditure	<b>898,878.13</b>
Budget	<b>625,000.00</b>
Projected Over-spend	<b>273,878.13</b>

### 3.7 North Highland Archive

3.7.1 The Resources Committee on 26 November 2014 agreed to lease land to the Nuclear Decommissioning Authority (NDA), as part of a package of support to allow the delivery of a new North Highland and Nuclear Archive project, which would inject an estimated £20m capital and create of up to 20 jobs. Another aspect of the package agreed, was that the Council would provide funding for the equivalent of 4 posts, for the staffing of the archive/public aspect of the facility. Of those 4 posts, 2 were already funded via High Life Highland (HLH) staffing employed in the existing archive facility, leaving the Council to fund the balance of 2 posts. Discussions are ongoing with the NDA around the final funding package, with the facility expected to open later in 2016.

### 3.8 ICT in Learning Strategy (ICTiL)

3.8.1 A new post of ICTiL Implementation Project Manager is required to support the Council in managing the implementation of the strategy, and the deployment of 1:1 Chromebook devices across all Highland schools, as part of the new ICT contract device deployment. Additional funding of £0.050m has been incorporated within the ICT re-provision implementation, to fund this post. This post will be critical to manage implementation and the successful deployment of over 20,000 devices to schools. The post will be fixed-term, linked to the deployment schedule to be confirmed by the new ICT contract. Job grade and details will be agreed in liaison with HR officers.

## 4. Major Capital Projects

4.1 **Appendix 2** summarises the current status of all major projects in the Care and Learning capital programme. The appendix compares the key programme dates and the total project cost with the baseline position of the capital programme approved in March 2015. It should be noted that no figures have been provided in the column "Total Project Spend to Date" for the reasons outlined in Paragraph 1.1. The following paragraphs provide further information in relation to particular projects.

- (i) **Dornoch Sports Centre:** An initial stakeholder meeting will take place in June as part of the development of the design for this project.
- (ii) **Thurso Swimming Pool:** Work is progressing on site following initial delays.
- (iii) **Inverness High School:** Work is ongoing in developing the design and phasing proposals.
- (iv) **Inverness Royal Academy:** The project remains on target with a planned handover date of 8<sup>th</sup> July, allowing HLH to open community facilities during the summer, with the school opening at the start of the new session.
- (v) **Lochaber High School Phases 3 & 4:** The project is complete and a lessons review has been undertaken in line with standard practice. Care and Learning will be reporting back on key project lessons learnt on this, and other projects, later this year.
- (vi) **Elgin Residence, Portree:** Work is virtually complete and the residence is due to open in June. Options are being examined for the provision of an construction skills class at the High School, as the existing class was displaced as a direct result of this project. Discussions are ongoing between

the School, Council Officers, and the PPP provider, on options.

- (vii) **Tain 3-18 Campus:** The new building is programmed to be operational in August 2019, and work is continuing in relation to the project brief, design and costing. Early indications are that as a result of inflation, review of project contingency, and changes to project scope, a significant increase in cost estimate is to be expected. At present there is £45m set aside within the capital programme. Further cost review is taking place, and a report will come back to Committee to advise of the revised cost forecast, and steps to address the funding position.
- (viii) **Wick Community Campus:** The project remains on target to meet the building handover date 16 September 2016. Issues have been identified in relation to the Swimming Pool, which is still in construction, relating to compromised views from spectator seating. Discussions are taking place with the contractor who are responsible for design and build of the facility, to consider options, and any remedial action that may be possible at this stage. Discussions will take place with Ward members to seek their views on the appropriate way forward in relation to this issue.
- (ix) **Beauly Primary School:** Work is ongoing in developing the initial design proposals.
- (x) **Cromarty Primary School:** The main construction phase is now complete, with the school buildings fully operational. There remain a number of outstanding external works to be concluded, which will be carried out as part of a separate project starting during the summer holidays. A lessons review will be undertaken, as is the case for all major projects, and reported back to this Committee.
- (xi) **Fort William Primary Schools:** Work is continuing on the Caol Joint Campus building with the other schools and the Caol Community Centre now complete. Again, a lessons review will be undertaken.
- (xii) **North West Skye:** As previously reported, following the Council's unsuccessful appeal against the decision of the School Closure Review Panel, feasibility work is underway to review options for investment in the existing school facilities in North West Skye. This will consider the options to achieve a new community school to replace the existing Dunvegan Primary School.
- (xiii) **Portree New Gaelic Primary:** Work has started on the demolition of the former boys' hostel building and the Margaret Carnegie building will be demolished once the new Residence is operational. The programme for the new school project will be confirmed in due course.
- (xiv) **Wick New Noss Primary:** The school opened to pupils on 13 April and the remaining demolition and external works are underway.
- (xv) **Black Isle Education Centre Replacement:** As set out in a separate report on the agenda of this Committee, the Committee is asked to commence a statutory consultation on the formal closure of the existing centre. This capital project allocation will therefore be subject to review, considering requirements for alternative provision.
- (xvi) **Caladh Sona:** As reported to the last meeting of this Committee, further work and consultation is being carried out to complete the review process. Further details will be brought to a future meeting of this Committee.

- (xvii) **Wade Centre Kingussie:** Work is progressing on site.
- (xviii) **ICT Investment:** Committee previously agreed the allocation of £1.2m from within this budget line, for refresh of ICT devices within circa 70 'Category F' schools. These being schools which had not had a refresh during the lifetime of the current ICT contract. The deployment of refreshed ICT devices is underway, and due to be completed by the end of the summer term.

## 5. Other Capital Projects

5.1 Further discussions have taken place with the Scottish Futures Trust, who are co-ordinating the delivery and funding of the Scotland's Schools for the Future programme for Scottish Government. These discussions have also been jointly held with 2 other North Councils who have new schools within that same funding programme; Moray and Aberdeen-shire. Consideration is being given to whether any collaboration across the North Councils is possible, to achieve cost and efficiency improvements from the delivery of school projects. A formal funding offer from Scottish Government/SFT, and clarification of expected project completion date, is pending conclusion of those discussions. Overall, it is understood the Scottish Government expectation is that all projects within this funding phase will be completed and handed over no later than March 2020.

5.2 A stakeholder group is in the process of being set up, with a first meeting of that group to take place during May or June. The stakeholder group will be used to consult and inform on progress with the new Academy replacement, and also to keep stakeholders up to date with interim works on the existing school.

5.3 In relation to Invergordon Schools, as previously reported to Committee, feasibility work is being undertaken to review investment options, with the expectation that proposals come forward for consideration by Members later this year.

### 5.4 Regional Sports Facility

5.4.1 Work continues on the development of the business case and initial design work to inform that case. A tendering exercise is underway to appoint the design team, and there will be a report to the Council, for consideration of that business case.

### 5.5 School and Community Synthetic Pitches

5.5.1 A review has been undertaken, engaging external specialists, to assess the condition, maintenance and investment requirements of the Council's existing synthetic pitches. From that work, the most immediate significant investment requirements relate to Strathpeffer Tennis Courts (currently out of service) and Gairloch High School and Ullapool High School pitches (at end of life and requiring works). Works on these sites will be progressed as a priority. Further discussions are taking place to agree the appropriate programme of works, with a report back to this Committee to agree funding and timescales. Work will continue to develop a longer-term programme of works, reflecting the work required over the next 2-3 years, based on the advice of the maintenance contractor and colleagues in Development and Infrastructure.

5.5.2 Another matter to be considered is the ongoing maintenance and inspection of

synthetic pitches, to maximise the useful life of the facility and minimise significant future capital investment requirements. A review has been undertaken to assess the appropriate maintenance regime for these pitches, and to consider the most appropriate means through which that ongoing maintenance can be provided. The outcome of that review is that a new maintenance contract with an external contractor is now in place that will include regular and periodic maintenance of all synthetic surfaces. Further details will be brought back to this Committee in line with the overall approach outlined in Paragraph 3.6.

5.5.3 **Culloden Academy:** As agreed at the last Committee, an outline funding application to SportsScotland is being prepared, and will be submitted very shortly, for a new synthetic playing field at Culloden Academy. Once feedback is received on that application, a further report will come back to this Committee seeking a decision on formal incorporation within the capital programme. In parallel with this project, the local community are also looking to progress a MUGA and Sports Hub project. This is distinct from the Academy pitch proposal, and the Council is in ongoing dialogue with the community and HLH to consider how the Council can be supportive of both projects. It is understood that 2 separate funding approaches to SportsScotland for funding could be considered, given the distinct nature of the projects.

5.5.4 The proposal above in relation to Culloden has been informed by an Inverness Pitches Strategy which was commissioned by the Council from HLH. That strategy has been used as an officer guide to inform planning, and the intention is that the strategy will be formally reported to the next meeting of this Committee.

## 5.6 Community, Learning and Leisure Facilities

5.6.1 The capital programme has a budget line to address investment requirements in HLH managed facilities, as well as other non-HLH facilities and assets. Priorities for investment are discussed with HLH, to take account of the HLH Board's view, balanced with other identified needs across the estate. There is a total allocation of £5.024m over the next eight years as detailed in the table below (this takes account of the additional £300,000 allocated to the Thurso Swimming Pool project in May 2015 and the estimated under-spend of approximately £400,000 that will be carried forward from 2015/16).

16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	Total (M)
445	629	300	900	500	1,250	500	500	5,024

5.6.2 **New Projects:** There are three new projects recommended for approval as referred to in Paragraph 5.9 and included in **Appendix 3**. These are at Averon Leisure Centre, Lochbroom Leisure Centre and Strathpeffer Tennis Courts. This will result in the remaining funding for 2016/17 being fully allocated.

5.6.3 **Grantown Grammar/Craig MacLean Centre, Refurbishment of Swimming Pool:** As previously reported to this Committee, a budget of £1.3m was approved from the Life Cycle Investment budget heading for this project in August 2015. Subsequent design work and investigations have revealed that the pool tank structure is in worse condition than was initially anticipated. Further design work has been undertaken to allow all necessary options to be considered and for construction work to start as early as possible due to the condition of the structure. The total cost of this project is currently being finalised but it is likely to be in excess of £2m. Due to the pressures on the Life Cycle Investment budget, it is proposed that the additional funding is

allocated primarily from the Community and Leisure Facilities budget heading in order to allow work to commence in July as programmed. It is proposed that the Chair of this Committee is authorised to approve the final cost of the project when available and that this will be homologated at the next meeting of this Committee.

5.6.4 **Inverness Leisure:** As well as the funding detailed above, there is also an allocation for the refurbishment of the facilities at Inverness Leisure. The first phase was completed last year with a total budget of £3.5m. There is also a further £3m included in the programme for the second phase of the refurbishment programme. At the meeting in January 2016, this Committee approved a recommendation that £200,000 of the funding in 2018/19 should be brought forward to 2016/17 for necessary remedial works to address structural defects in the high level windows and beams over the competition pool. Tenders have now been received for this work and the total cost is approximately £250,000. It is therefore recommended that an additional £50,000 is brought forward from 2018/19 to allow these works to be undertaken.

5.7 **Acharacle Primary School Playing Field:** As previously reported to this Committee, the Council has agreed to provide a synthetic playing field with a minimum playing area of 60 x 40 m for school use but in conjunction with the community will continue to explore the feasibility of providing a larger area that meets their aspirations. A Development and Infrastructure project to extend the adjacent cemetery was completed recently and included earth works over the area of the proposed playing field to reduce the overall cost of the development. The cost attributable to the playing field element was approximately £140,000. The estimated costs of the two main options have been updated and are as follows (these exclude the cost of the earth works and also floodlighting).

- 60 x 40 m synthetic - £360,000
- 90 x 45 m synthetic - £560,000

5.8 It is now proposed that further engagement takes place with community representatives to review the position and agree on the next steps.

5.9 **New Projects: Appendix 3** lists a number of new projects that are recommended for approval.

## 6. Estate Management Issues

### 6.1 Edinburgh School Building Issues

6.1.1 Following the issues affecting PPP schools in Edinburgh, the Council has undertaken a number of priority actions, as follows:

- Has sought and received written assurance from its 2 PPP providers regarding safety within all the Council's PPP schools.
- Has sought and received written assurance from Hub North Scotland Ltd, regarding safety in relation to the Inverness Royal Academy, Wick Campus and Noss Primary school projects.
- Has undertaken a series of joint building inspections, to identify if there were any concerns within the Council's PPP schools and Hub North schools projects.



- Has commenced a wider risk profile assessment of wall structures across the school estate, to identify where any wider programme of inspections may be appropriate.

6.1.2 The outcome of the inspections and assessments, are that no specific safety issues have been identified. The Council can also be assured by the significant quality control checks in place for Highland school projects, as a result of Clerk of Works inspections, building control inspections, and regular site visits and inspections by other officers of Development and Infrastructure and Care and Learning Services. Communications have been issued to Head Teachers of all schools, to provide re-assurance

## 6.2 School Capacity Modelling

6.2.1 **Primary Schools:** This Committee agreed in November 2014 that the Council would adopt the Scottish Government Guidance on Determining Primary School Capacity that had been published earlier that year. It also approved a recommended approach that would establish the Planning Capacity of each primary school and identify those schools that were likely to exceed capacity at any point over a 15 year period based on the roll projections.

6.2.2 However, it is a Local Authority responsibility to choose how to calculate capacity, and a degree of flexibility remains. For example, the Scottish Government does not have a recommended occupancy level for schools. Also, it is up to a Local Authority to decide how many General Purpose (GP) areas a school should have.

6.2.3 The work that has been carried out to date on the review of Inverness schools has identified some aspects of the approach that require to be amended and these are listed below.

- The Planning Capacity is a theoretical measure of the total number of pupils that could be accommodated in a school based on the total number of rooms available. However, the Guidance highlights that this is rarely achieved for a number of reasons. It is clear from the work carried out to date that capacity issues can start to arise when the occupancy level exceeds 90% of the Planning Capacity, although it could occur at a lower level in some instances. The focus should therefore be on the likely number of classes required in the future based on the roll projections rather than notional capacity figures.
- The Guidance recommends that each primary school should have one GP Room per stream, with the streams being calculated as multiples of 7. However, it is proposed that streams should be calculated in multiples of 8 in Highland, mainly due to the lower maximum class sizes for Primary 1 (25 pupils) and Primary 2 and 3 classes (30 pupils). For example, a school with an average year group size of 30 would require 4 classes for Primary 1 to 3 pupils and 4 straight classes for Primary 4 to 7 (where the maximum class size is 33 pupils).
- Further clarification is required for existing schools where the total number of rooms (i.e. classrooms and GP rooms) falls between the upper limit of one stream and the lower limit of the next stream. For example, as a school with 10 rooms could not be classed as a 9 classroom school (as this would require 2 GP rooms) it would have to be classed as an 8 classroom school. The following table illustrates how instances like this would be dealt with in future.

No. of Rooms	Classrooms	GP Rooms
7	6	1
8	7	1
9	8	1
10	8	2
11	9	2

- 6.2.4 This revised approach will provide a more realistic measure of the likely impact on schools of fluctuating rolls. This is particularly useful in future investment planning, determining if school rolls should be capped and in establishing where developer contributions are justified. It is therefore recommended that the approach and methodology approved in 2014 is amended to incorporate these proposed changes with immediate effect.
- 6.2.5 **Secondary Schools:** At the time of the publication of the Scottish Government Guidance on Primary Schools, it was recommended that all Scottish Local Authorities should work together to develop a consistent approach to calculating the capacity of Secondary Schools. While this has exercise has not yet commenced, work has begun on reviewing the methodology currently adopted by Highland Council as part of the development of the design for the Tain 3-18 Campus project. The outcome of this review will be reported to a future meeting of this Committee.
- 6.2.6 **Resources:** As described in the report to the last meeting of this Committee, discussion are ongoing with colleagues in Development and Infrastructure to review the internal and external resources necessary to support the delivery of the capital programme in future years.

## 7. Inverness Schools – Roll Pressures and Future Investment Priorities

### 7.1 Background

- 7.1.1 The Education, Children and Adult Services Committee (ECAS) agreed in November 2014 that the pressures affecting primary schools in Inverness should be analysed as part of the wider Sustainable School Estate Review (SSER).
- 7.1.2 At the same meeting, it was agreed that the Council would adopt the Scottish Government guidance on Determining Primary School Capacity published in October 2014 along with a methodology for use by Highland Council in relation to primary school capacity modelling. It was recommended at the time that all Scottish Local Authorities consider a consistent approach to calculating the capacity of Secondary Schools and seek to work together to develop this by 2016.
- 7.1.3 The capital programme approved by the Council in March 2015 (as revised in December 2015) includes a funding line of £48M over 10 years for Inverness Schools SSER. The Scottish Government has awarded additional capital grant funding of £2.8M for the expansion of Gaelic Medium provision in Inverness. This brings the total funding to £4M, £1.2M of which was included in the £48M referred to above.
- 7.1.4 Subsequent reports to this Committee have updated on progress with the review and identified the most immediate priorities for future capital investment. However,

the review has taken longer than anticipated due to a variety of reasons, including delays in recruiting additional staff to the Care and Learning Estates Team and the ongoing demands arising from the capital programme and other work streams.

7.1.5 While the initial focus has been on primary schools, the pressures affecting secondary schools will have to be considered later this year. A consistent approach to secondary school capacity modelling will be an essential part of this.

## 7.2 **Current Position**

7.2.1 **Capping of Primary School Rolls:** The rolls at Cradlehall, Inshes and Lochardil were capped for the 2015/16 session. These will continue to be capped in 2016/17 along with Hilton and Milton of Leys.

7.2.2 **Condition Issues:** Primary schools in Inverness are generally in reasonable condition in comparison to the rest of the school estate. While the proposed investment will address some issues at the respective schools, any significant requirements that are identified in the future will be need to be prioritised against needs elsewhere in the estate and funded from other generic budget headings in the capital programme as necessary.

7.2.3 **Feasibility Studies:** A number of studies are underway in relation to the primary schools identified in Section 7.3. These are all due to be completed by the end of June 2016.

7.2.4 **House Building:** This is probably the most volatile factor that needs to be taken account of in this review. Dialogue has taken place with colleagues in Planning and it has been agreed to review the projected house building rates more regularly and for the assumptions to be summarised and made more visible.

7.2.5 **Overall Capacity Shortage:** In overall terms, it is anticipated that up to 25 additional classrooms may be required across Inverness to address the projected increase in roll numbers along with current suitability issues. Some of these requirements are easier to define than others: for example, the overall increase in the roll numbers across the Inverness High Associated School Group (ASG) is mainly at Merkinch, whereas in the each of the other ASG's it is over two or more schools.

7.2.6 **Roll Projections:** Recent discussions with colleagues in Planning have resulted in an agreement to adopt different approach in relation to calculating the Primary 1 intake figures across Inverness. This will ensure that the roll projections are based on actual numbers enrolled in nurseries rather than NHS statistics and will be more responsive to significant fluctuations in the numbers of 3 and 4 year olds in the future.

7.2.7 **Suitability Surveys:** All of the primary schools in Inverness have been surveyed recently. This measures the extent to which a school building and its grounds are appropriate in providing an environment which supports quality learning and teaching. The results of these surveys have identified several schools which have significant issues, in particular at Merkinch. The proposed capital investment will have to address these issues and the development at Merkinch could see all of the existing classrooms replaced with new rooms in a new block. Surveys of secondary schools will commence in the new session.

### 7.3 **Investment Priorities – Existing Primary Schools**

- 7.3.1 The most immediate priorities are for additional accommodation at Merkinch and Smithton as well as an Additional Support Needs (ASN) annexe and additional nursery provision at Cauldeen, mainly to alleviate pressure at Drummond. The feasibility study for Merkinch will also look at potential options for providing a Family Centre and enhanced leisure facilities on the school site.
- 7.3.2 The roll projections for schools in the Charleston area also highlight that there is likely to be a need for future investment at Kinmylies, and possibly Muirtown.
- 7.3.3 Other schools may also require some capital investment, possibly including Cradlehall, Hilton, Holm, Lochardil and Milton of Leys. In relation to Milton of Leys, one option being considered is scope to provide additional nursery accommodation on the campus, which in turn may also assist with capacity pressures within the primary school. However, the scope for extending some of these schools will be limited. The extent and timing of any further investment will be subject to the outcome of the review of the options for the potential new schools outlined in Section 4.

### 7.4 **Investment Priorities – New Primary Schools**

- 7.4.1 It is recommended that a review is commenced to consider options to address capacity issues at Bun-sgoil Ghàidhlig Inbhir Nis (BSGI). That review will consider a range of options, including the case for a replacement school on a new site. Future demand is expected to exceed the number of available places at the current building. It was designed to support a single stream school and the ancillary accommodation is not sufficient to support a larger amount of pupils. A new school on a different site could in time be expanded into a two stream school. The existing building could then house an English Medium school that would help to address some of the future pressures in the surrounding schools.
- 7.4.2 A new school will be required to meet the additional demand from the developments at Ness Castle and Ness-Side. The new school site at Ness Castle is likely to be released in the second half of the 10-year capital programme although there may be an opportunity to bring this forward if necessary.
- 7.4.3 There is a site reserved at Stratton to serve proposed housing developments in the Duncan Forbes and Smithton catchment areas. It was originally anticipated that this would not be required during the ten-year period of the current capital programme. However, we have recently been advised that some of the land zoned for mixed/commercial development may now be used for housing and that this may start in the next few years. This will need to be factored in to the proposed extension to Smithton and potential pressures on Duncan Forbes will also need to be assessed.
- 7.4.4 There is a site reserved at Tornagrain to serve proposed housing developments in the Croy catchment area. It is not anticipated that this will be required within the 10 year span of the current capital programme but the position will be closely monitored.
- 7.5 **Secondary Schools:** As explained earlier, the initial focus has been on primary

schools. Feasibility studies will be undertaken on Charleston Academy and Culloden Academy to review the capacity, condition and suitability issues that exist. These studies are programmed to be completed by the end of January 2017.

## 7.6 Possible Phasing of Capital Investment/Future Priorities

7.6.1 **Approved Funding in Capital Programme:** The breakdown of the £48m in the capital programme is shown in the table below.

15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
0.5	2.5	5.5	10.5	10.0	7.0	8.5	3.0	0.5	0.0
29.0 (plus £2.8 of Gaelic funding)					19.0				

### 7.6.2 Years 1 to 5: 2015/16 to 2019/20 (Indicative Total Cost - £40 to £45 million)

- BSGI – New School
- Cauldeen Primary – ASN Annexe
- Merkinch Primary – Redevelopment
- Smithton Primary – Extension/Refurbishment
- Other Primary Schools Phase 1

### 7.6.3 Years 6 to 10: 2020/21 to 2024/25 (Indicative Total Cost - £30 to £35 million)

- Ness Castle – New School
- Other Primary Schools Phase 2
- Secondary Schools

### 7.6.4 Beyond Year 10

- Stratton – New Primary School (timing to be reviewed)
- Tornagrain – New Primary School

### 7.6.5 Other Priorities – with separate provision within Capital Programme

- Beaully – There is an approved budget of £10M for a new school.
- Inverness High - There is an approved budget of £10M for the refurbishment of the existing school, which had the lowest condition score for a secondary school in the survey results published in 2014.
- Rural Schools – All issues will be assessed as part of the wider SSER process but particular attention will be given to Early Learning and Childcare provision.

### 7.6.6 Summary of Assumptions: Some of the key assumptions are listed below.

- All of the new or extended/refurbished schools would include additional nursery classrooms to meet some of the additional Early Learning and Childcare requirements outlined in Section 6.
- The capital cost of providing the additional nursery accommodation should be considered as over and above the approved funding.
- There is clearly no funding for the new schools at Stratton and Tornagrain but the position with both of these, in particular at Stratton, will be closely monitored.

- There is limited scope to reallocate capital funding from within the Care and Learning programme due to other commitments and the likely future priorities that will have to be addressed.

## 7.7 Early Years and Childcare

- 7.7.1 It is anticipated that the legal entitlement for free early learning and childcare will now be increased from 600 to 1,140 hours per annum following the Scottish Parliamentary Election and that this will require to be implemented by 2020.
- 7.7.2 An initial review of the additional accommodation that would be required across all primary schools in Inverness indicates that this could be in the region of between 20 to 25 nursery classrooms.
- 7.7.3 Increasing the capacity of all schools will not be practical as some will not be able to physically accommodate this. Also, there is no indication as yet of the additional capital funding that may be available.
- 7.7.4 The actual number of additional nursery classrooms that are required may be reduced if a flexible delivery approach is adopted across the board. However, the work to date demonstrates that this is likely to be a significant additional pressure on most Inverness schools in the near future.

## 7.8 Other Issues

- **ASN Issues:** The accommodation required in individual schools and across ASG's will be assessed as part of this exercise.
  - **Family Centres:** The separate exercise to establish priority areas in Inverness will also have to be factored in to this.
  - **Free School Meals:** Separate capital funding was obtained from the Scottish Government and this may be combined with the proposed investment here in some instances.
  - **Playing Fields:** Any proposals to invest at schools will also look at the requirement for both grass and synthetic surfaces.
  - **Possible Review of Catchment Area Boundaries:** There are a number of anomalies in existing catchment areas that may be reviewed as part of any statutory consultation.
- 7.9 **Next Steps:** Briefing sessions have been held with Inverness Members and further sessions will be arranged when appropriate. A series of workshops will be held with Head Teachers and the first of these has already taken place.
- 7.10 **Recommendations:** The key recommendations at this stage are as follows.

- **BSGI – New School:** To carry out a review exercise on options for future Gaelic Medium Primary provision within Inverness
- **Cauldeen - ASN Annexe/Nursery:** To proceed with this project at an estimated cost of £3.6M.
- **Smithton - Extension/Refurbishment:** Seek approval to proceed with this project once the impact of additional housing development at Stratton has been assessed.
- **Other Primary Schools:** Continue with the current feasibility studies at

Cradlehall, Hilton, Holm, Kinmylies, Lochardil, Merkinch, Milton of Leys and Muirtown that are due for completion by the end of June 2016.

- **Secondary Schools:** Initiate feasibility studies on Charleston Academy and Culloden Academy for completion by the end of January 2017.

## 8. School Estate Review

- 8.1 As set out on the agenda of this Committee, there are separate reports proposing the commencement of Statutory Consultations on the closure of both Kinbrace Primary School and Black Isle Education Centre. The current status of all 'live' consultations is as summarised below.

Dalwhinnie Primary School	Statutory Consultation Phase concluded. Report received from Education Scotland. Final report to Committee later this year
Achfary Primary School	In Statutory Consultation phase
Kinbrace Primary School Black Isle Education Centre	May ECAS Committee asked to commence Statutory Consultation

- 8.2 Given that strategic reviews are taking place in relation to future arrangements for management of schools and curriculum delivery, as reported in another report to this Committee, the Council will review its existing Sustainable Schools Estate Review (SSER) strategy, considering any appropriate changes or improvements to methodology and criteria required.

## 9. Asset Management Issues

- 9.1 **Clachnaharry:** As part of a review of operational buildings following the implementation of the voluntary redundancy scheme, the opportunity has been taken to re-locate staff currently within the Clachnaharry Building (Early Years staff and Shared Business Support) to other Council buildings within Inverness. This will be completed by June 2016. As a result, Clachnaharry can be released, giving the opportunity for revenue savings of circa £20k p.a. and a potential capital receipt of c£200k. The Committee is asked to formally agree this asset is declared surplus to requirements.
- 9.2 **18 Manse Road, Kinlochbervie:** This house has been vacated and it is recommended that it is declared surplus to operational requirements. It should be noted that the Kinlochbervie Community Company has expressed an interest in acquiring the property.
- 9.3 **Glenurquhart Care Project:** The Glenurquhart Care Project (GCP) was set up in 1995 and from 2000 has owned and operated the Glenurquhart Centre in Drumnadrochit as a day centre for the elderly. GCP has purchased land from a developer, adjacent to the day centre, to provide amenity houses for the elderly and vulnerable in the community. As part of the proposed development, the developer wishes to take a servitude over land currently owned by GCP. The Council retains security in this site, going back to the establishment of the original day centre. As a result, release of this servitude requires approval from the Council. Due to deadlines to allow the project to meet Scottish Land Fund funding timescales, delegated approval was sought from the Chair of the Education, Children and Adult Services

Committee on 17 March. The Committee is asked to homologate that decision.

## 10. Implications

- 10.1 **Resource:** As set out in this report and appendices, and Paragraph 6.3 in particular.
- 10.2 **Legal:** There are no particular legal implications to highlight.
- 10.3 **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.
- 10.4 **Climate Change/Carbon Clever:** All major projects aim to improve the carbon emissions associated with the existing provision, where this is feasible
- 10.5 **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.
- 10.6 **Gaelic:** This report advises on the current position with regard to the new Portree Gaelic Primary School project. This report also proposes the commencement of a review into facilities for Gaelic Medium provision within Inverness, to address existing capacity issues at BSGI.
- 10.7 **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.

## 11. Recommendations

11.1 Members are asked to:

1. Note the actions taken in relation to the new Project Management Governance Policy as outlined in Section 2;
2. Note the update in relation to funding for voluntary organisations, as set out at paragraph 3.3
3. Note the update provided in relation to vacancies (paragraph 3.5), as requested to the last Committee meeting
4. Agree the new post of ICTiL Implementation Project Manager, as set out at paragraph 3.8;
5. Note the status of the Major Capital Projects listed in Section 4 and App. 2;
6. Note the current position with regard to the Alness and Invergordon Schools as outlined in Section 5.1;
7. Agree the proposals with regard to the future maintenance of synthetic playing fields in Section 5.5.2;
8. Note the position regarding the Community & Leisure budget in Para 5.6.1;
9. Approve the recommended action in relation to the Grantown Grammar/Craig MacLean Centre, Refurbishment of Swimming Pool as detailed in Para 5.6.3;



10. Approve that an additional £50,000 is brought forward for the remedial works at Inverness Leisure as Paragraph 5.6.4;
11. Note the current position on Acharacle Primary School Playing Field as Paragraph 5.7;
12. Approve the New Projects as detailed in Paragraph 5.6.2 and **Appendix 3**;
13. Note the actions taken following the issues at Edinburgh Schools as Section 6.1;
14. Approve the proposed changes in respect of Primary School Capacity Modelling as Section 6.2.1 to 6.2.4 and note the position with regard to Secondary Schools as 6.2.5;
15. Note the current position with Inverness Schools as outlined in Section 7 and agree the recommendation listed in Paragraph 7.10;
16. Note the current position with the ongoing School Estate Review as outlined in Section 8;
17. Approve the recommended actions relating to Asset Management Issues detailed in Section 9.

**Designation:** Director of Care and Learning

**Date:** 10<sup>th</sup> May 2016

**Authors:** Brian Porter, Head of Resources, Care and Learning  
Robert Campbell, Estate Strategy Manager, Care and Learning

Appendix 1: Posts Currently Held Vacant

Appendix 2: Whole Life Monitoring of Major Projects – May 2016

Appendix 3: Proposed New Projects

### **Background Papers**

Determining Primary School Capacity – Link to Document on the Scottish Government Website – <http://www.scotland.gov.uk/Topics/Education/Schools/Buildings/commitments>

## Posts Currently Held Vacant

<b>Post Title</b>	<b>Location</b>	<b>Contracted Hours Per Week</b>
Teacher (ASN)	Kinmylies Primary School, Inverness	28
Principal Teacher (Primary)	Merkinch Primary School , Inverness	35
Clerical Assistant 2	Kinlochbervie Primary School, Sutherland	8
Teacher (Secondary)	Fortrose Academy, Ross-shire	35
Area Principal Educational Psychologist	Various Units – West Highlands	35
Pupil Support Assistant 1	Drakies Primary School, Inverness	16.5
Clerical Assistant 2 (Schools)	Holm Primary School, Inverness	5
Teacher (Secondary)	Thurso High School, Caithness	14
Teacher (Secondary)	Dornoch Academy, Sutherland	14
Teacher (Secondary)	Dornoch Academy, Sutherland	17.5
Child Protection Adviser	Various Units - Skye, Lochalsh, Wester Ross & Assynt	37.5
School Technician	Dingwall Academy, Ross-Shire	35
Teacher (ASN)	Drummond School, Inverness	35
Pupil Support Assistant 2	Drummond School, Inverness	18
Social Worker	Ardross Street, Inverness	35
Social Worker	Fodderty Way, Dingwall	17.5
Practice Lead (Care & Protection)	New Craigs Hospital (The Rowans), Inverness	35
Social Care Worker 2	Ashton Road Unit, Inverness	23
Social Care Worker 2	Ashton Road Unit, Inverness	23
School Technician	Alness Academy, Ross-shire	35
Principal Teacher (Secondary)	Kinlochbervie High School, Sutherland	35
Principal Teacher (Secondary)	Alness Academy, Ross-shire	35
Teacher (ASN)	St Clements School, Dingwall, Ross-shire	35
Cook 3	Kinlochleven High School, Kinlochleven	32.5
Social Worker	The Bridge 14 Seafield Road, Inverness	35

Project Name	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	PREVIOUS ESTIMATE ECAS COMMITTEE MAR 2016	CURRENT ESTIMATE
<b>Community &amp; Leisure Facilities</b>								
Dornoch Sports Centre	3,000	3,000	N/A	3,000	-	Mar-17	TBC	TBC
Inverness Leisure Phase 1	3,500	3,500	N/A	3,950	450	Jul-15	Jul-15	Jul-15
Inverness Leisure Phase 2	3,000	3,000	N/A	2,750	-250	Mar-19	Mar-20	Mar-20
Thurso Library	1,200	1,453	N/A	1,593	140	Sep-15	Sep-15	Sep-15
Thurso Swimming Pool	2,100	2,700	N/A	2,700	-	Jan-16	May-16	May-16
<b>Secondary Schools Programme</b>								
Grantown Grammar - Refurb. of Swim. Pool	N/A	1,300	N/A	1,300	-	N/A	TBC	TBC
Inverness High School	10,000	10,000	N/A	10,000	-	Aug-18	Mar-19	Mar-19
Inverness Royal Academy	39,010	39,010	N/A	39,010	-	Jun-17	Jun-17	Jun-17
Lochaber High School Phase 3 & 4	15,885	16,135	N/A	16,135	-	Sep-15	Oct-15	Oct-15
Elgin Residence, Portree	4,020	4,020	N/A	4,220	200	Dec-15	Mar-16	May-16
Tain 3-18 Campus	45,000	45,000	N/A	45,000	-	Aug-18	Aug-19	Jul-20
Wick Community Campus	5,350	5,350	N/A	5,350	-	Apr-17	Apr-17	Apr-17
<b>Primary Schools Programme</b>								
Beauly - New Primary School	10,000	10,000	N/A	10,000	-	Aug-19	Aug-20	Aug-20
Cromarty Primary - Extension/Refurbishment	2,750	2,750	N/A	3,250	500	Dec-15	Apr-16	May-16
Fort William - Caol Joint Campus	15,690	15,940	N/A	15,940	-	Dec-16	Dec-16	Feb-17
Fort William - New Gaelic Primary	8,000	7,750	N/A	7,750	-	Jun-15	Jun-15	Jun-15
Fort William - Lundavra Primary	12,000	12,000	N/A	12,000	-	Oct-15	Oct-15	Oct-15
North West Skye - New Primary School	10,000	10,000	N/A	10,000	-	Aug-18	Aug-18	TBC
Portree - New Gaelic Primary	9,285	10,800	N/A	10,800	-	Jul-17	TBC	TBC
Wick - New Noss Primary	16,650	16,650	N/A	16,650	-	Oct-16	Oct-16	Feb-17
<b>Special Schools Programme</b>								
Black Isle Education Centre - Replacement	2,000	2,000	N/A	2,000	-	Mar-18	Mar-18	TBC
St Clements/St Duthus - Modular Accomm.	4,580	4,580	N/A	4,955	375	Aug-15	Aug-15	Aug-15
<b>Health &amp; Social Care Programme</b>								
Caladh Sona Care Home - Replacement	1,500	1,500	N/A	1,500	-	N/A	TBC	TBC
Residential Unit for Children with Autism	2,000	2,000	N/A	2,000	-	Mar-18	Mar-20	Mar-20
Wade Centre, Kingussie - Refurbishment	1,015	1,300	N/A	1,300	-	N/A	Dec-16	Dec-16
<b>Estate Management</b>								
ICT Investment	2,500	2,500	N/A	2,500	-	Mar-17	Mar-17	Mar-17
<b>TOTAL</b>	<b>230,035</b>	<b>234,238</b>	<b>N/A</b>	<b>235,653</b>	<b>1,415</b>			

<b>APPENDIX 3 - PROPOSED NEW PROJECTS</b>				
<b>PROJECT</b>		<b>BUDGET</b>	<b>FUNDING SOURCE</b>	<b>COMMENTS</b>
1	Ardgour Primary - Nursery Alterations	£25,000	Early Years and Childcare	Required improvements
2	Averon Centre - Internal Alterations	£100,000	Community and Leisure Facilities	Required improvements
3	Drakies Primary - Refurbishment of Toilets	£35,000	Life Cycle Investment	Internal fabric issue
4	Duncan Forbes Primary - ASN Alterations	£50,000	Roll Pressures	Required for pupil
5	Farr High/Primary - Replacement Fencing	£50,000	Life Cycle Investment	Health and safety issue
6	Farr High/Primary - ASN Alterations	£25,000	Roll Pressures	Required for pupil
7	Gairloch Primary - ASN Alterations	£50,000	Roll Pressures	Required for pupil
8	Helmsdale Primary - Nursery Alterations	£50,000	Early Years and Childcare	Required improvements
9	Kingussie High - Refurbishment of PE Changing	£450,000	Life Cycle Investment	Internal fabric/suitability issue
10	Kinlochewe Primary - ASN Alterations	£50,000	Roll Pressures	Required for pupil
11	Lochbroom Leisure Centre	£30,000	Community and Leisure Facilities	£12,500 Award from Sportscotland
12	Marybank Primary - Refurbishment of Toilets	£35,000	Life Cycle Investment	Internal fabric issue
13	Munloch Primary - Internal Improvements	£25,000	Life Cycle Investment	Internal fabric issue
14	Park Primary - Nursery Alterations	TBC	Early Years and Childcare	Required improvements
15	Strathpeffer Tennis Courts - Resurfacing	£30,000	Community and Leisure Facilities	Currently out of use
16	Thor House - Internal Alterations	£200,000	Children's Services	Required improvements
17	Thurso High - ASN Alterations	£50,000	Roll Pressures	Required for pupil