

Agenda Item	9.
Report No	CLH 07/18

## HIGHLAND COUNCIL

**Committee:** Care, Learning and Housing

**Date:** 30 May 2018

**Report Title:** **Capital Programme – 2018/19 Budget Allocations**

**Report By:** Director of Care and Learning

### 1. **Purpose/Executive Summary**

- 1.1 This report seeks member agreement to budget allocations for 2018/19 from the capital programme approved by Council in March 2018.
- 1.2 The proposals set out for decision relate to allocations from the 'School Improvement Programme', 'Modular Units' and 'Community and Leisure Facilities' generic capital budgets.
- 1.3 The report also provides an update on progress with the Strontian Primary School project.

### 2. **Recommendations**

- 2.1 Members are asked to agree to the capital budget allocations for 2018/19 as set out on **appendix 1**, and **paragraphs 5.4 and 5.5** of this report.

### 3. Background

- 3.1 The Council agreed its latest 5 year capital programme in March 2018. Within that programme, for Care and Learning, there are a number of generic budget lines, allocations from which are delegated to Strategic Committee.
- 3.2 In parallel with the capital review, over the past 6 months, Officers have continued to develop projects and proposals, recognising the lead time for projects to be delivered during the course of 2018/19. In relation to school projects, there have been reports to the Environment, Development and Infrastructure Committee in November 2017 and January 2018, which sought member agreement to a range of projects being progressed for the 2018/19 programme, pending formal approval of funding following the agreement of the capital programme.
- 3.3 This report now seeks formal budget approval for a 2018/19 school improvement programme, as well as seeking agreement to allocations from the Community and Leisure Facilities budget.

### 4. School Improvement Programme

- 4.1 The amount of capital funding available for investment in school buildings from the generic budget headings in the new capital programme is as follows.

	18/19	19/20	20/21	21/22	22/23	Totals
<b>Modular Units</b>	1,030	1,030	1,030	1,030	515	<b>4,635</b>
<b>School Estate Improvement Prog.</b>	5,000	7,500	10,000	15,000	17,500	<b>55,000</b>
<b>Less Funding for Scot. Gov. Bid</b>	0	-2,500	-5,000	-10,000	-12,500	<b>-30,000</b>
<b>Totals</b>	<b>6,030</b>	<b>6,030</b>	<b>6,030</b>	<b>6,030</b>	<b>5,515</b>	<b>29,635</b>

- 4.2 **Appendix 1** sets out the recommended projects and budget allocations for the 2018/19 programme. This programme fully allocates the 2018/19 funding, which means that there is no funding available at this stage for any additional demands that may occur during the financial year. However, it should be noted that the amount of funding to be carried forward from 2017/18 has still to be confirmed.
- 4.3 This programme is based on reports approved by the Environment, Development and Infrastructure (EDI) Committee in November and January, with some additional priorities that have emerged since that time. Some of the additions reflect works associated with Early Learning and Childcare (ELC) expansion, where responsibility for addressing existing condition and capacity issues rests with the Council, while expansion needs to be funded from

earmarked Council budgets from the Scottish Government. The proposed allocations will support the Councils delivery plans for ELC expansion, and some of the funding from the Scottish Government to support the ELC expansion will be used to augment the Council funding where appropriate.

- 4.4 The proposed allocations will allow the Council to address the most immediate capacity issues across a number of schools. The allocations will also address a number of priority condition and suitability issues, address additional support needs and access requirements, and also remove or reduce some ongoing maintenance burdens.
- 4.5 As stated above, alongside funding confirmed from Scottish Government for ELC expansion, the allocations will also support delivery of expansion to 1,140 hours. The programme dates for some of the projects listed in Appendix 1 have still to be confirmed, and updates will be issued to the relevant Ward Members in due course.
- 4.6 The Council agreed in March 2018 to make a significant bid for funding to Scottish Government for school investment. Further reports will come back to Committee in relation to progress in regard to developing business cases for these priorities. Decisions on funding allocations for future year generic budgets will come back to Committee later this year.

## **5. Community and Leisure Facilities**

- 5.1 Members raised concern at the Council meeting in March 2018 in the context of the capital programme about mobile library vehicle replacements. There are 8 mobile library routes across the Highlands, and 1 reserve vehicle, making 9 vehicles in total. The age of the fleet is as follows: 13 years old (3), 9 years old (4), 6 years old (2). No specific budget was included in the capital programme for this, and as such any capital investment would have to be considered from the Community and Leisure Facilities generic budget which was set at the March 2018 meeting as follows (all amounts are £000s).

<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
361	371	382	394	406

- 5.2 The Council's fleet manager recommendation is that these vehicles should move to a strategy of replacement, and with vehicles being purchased outright and retained for a period of a maximum of 6 years. With the new cost of a vehicle being £120k each, it is recognised that this would not be affordable within the current capital programme because it would significantly limit scope for any investment in property assets.
- 5.3 A number of options have been explored, including the possibility of external funding, scope for acquiring used rather than new vehicles, as well as discussions with HLH regarding any alternative options to how services might be delivered. At this time, one approach to an external funder has been progressed by HLH and refused, and it is considered unlikely there is scope for any significant external funding for what would be viewed by funders as a core service. A number of used vehicles are being explored. However to date, no suitable vehicle in terms of condition, and price, has been identified.

- 5.4 Members are asked to agree to an allocation of £140k for 2018/19 from the Community and Leisure Facilities generic capital budget, for the purpose of acquiring 1 new vehicle at an estimated cost of £120k, and with the balance of funding allowing Officers to react to any used vehicle opportunities that may arise. If approved, this would allow the poorest condition vehicle to be replaced with new, with the scope for a further replacement should suitable used vehicle become available. A programme of replacement of 1 new vehicle per year is considered the appropriate and most affordable arrangement, and decisions will be sought from Committee on future year allocations at a later date.
- 5.5 Arising from the proposed programme at appendix 1, the replacement pitch at Charleston Academy would also require 50% funding from the Community and Leisure budget. Members are asked to agree funding of £200k from this budget towards the project, noting that in addition to the funding for library vehicles, this almost wholly commits the budget for 2018/19, pending finalisation of any carry forward from 2017/18.

## 6. Strontian Primary School

- 6.1 Members of the Care, Learning & Housing Committee have previously received reports providing updates on progress with this project, where the community is progressing a new build to then be leased to the Council for a new Strontian Primary School building. On consideration of a cash-flow funding request at the March Committee, members requested that updates on progress be reported back to Committee.
- 6.2 As has previously been reported, construction has been underway since late 2017, and members are now advised that on 6 April 2018 the Council and Strontian Community School Building Limited (SCSBL) signed an 'agreement to lease' which formalises arrangements, and also allows SCSBL to draw down their own fundraising and loan finance. The financial terms of the agreement are as previously reported, with an annual lease of £55k (index linked) and an initial capital contribution of £182k. SCSBL have a target of the construction completing summer 2018.

## 7. Implications

- 7.1 **Resource:** The allocations proposed within this report are within the budgets agreed by Council in March 2018.
- 7.2 **Legal:** No specific issues to highlight.
- 7.3 **Community (Equality, Poverty and Rural):** The proposed investment will improve facilities, including within a rural setting. Investment in mobile library vehicles will also sustain the existing service across the Council's most rural communities.
- 7.4 **Climate Change/Carbon Clever:** Investment in the school estate, and modern vehicles, would be expected to deliver some benefits in relation to energy efficiency, fuel use and carbon reduction.
- 7.5 **Risk:** The allocations are based on budget estimates for each project with the final cost only being certain once tender exercises are concluded. Any

variations requiring further decision or approval would come back to Committee.

7.6 **Gaelic:** The proposals include investment within Gaelic medium education provision.

Designation: Director of Care and Learning

Date: 23 May 2018

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SCHOOL ESTATE - GENERIC BUDGET HEADINGS								
Property		Justification/Outcomes				2018/19 Programme		
		Condition	Sufficiency	Suitability	Early Learning and Childcare	Scope of Work	Estimated Cost	Programme Notes
1	Banavie Primary	Various				Internal Alterations	£20,000	
2	Ben Wyvis Primary		Increase Capacity	ASN and Other Issues	Expanded Facility	Internal Alterations - Phase 1	£250,000	Further Phase 2 in 2019/20 - scope to be determined
3	Bun-sgoil Ghàidhlig Inbhir Nis		Increase Capacity	ASN and Other Issues	Expanded Facility	Phase 1 - Double Classroom Unit	£375,000	Further Phase 2 in 2019/20 - scope to be determined
4	Charleston Academy	Pupil Toilets		Pupil Toilets		Refurbishment of Toilets	£200,000	
5	Charleston Academy	Replacement Surface				Resurfacing of Synthetic Pitch	£200,000	£400K Project - 50% of funding from Community & Leis. Fac.
6	Craighill Primary		Increase Capacity			Double Classroom Unit	£375,000	
7	Crown Primary	Replacement Surface				Resurfacing of MUGA	£30,000	Additional funding from school towards the replacement
8	Dalneigh Primary			ASN and Other Issues	Expanded Facility	Internal Alterations	£250,000	
9	Duncan Forbes Primary		Increase Capacity			Double Classroom Unit	£375,000	
10	Edderton Primary	Pupil Toilets				Refurbishment of Toilets	£20,000	
11	Farr High/Primary	Various		ASN and Other Issues	Expanded Facility	Classroom Unit/Demolition/Internal Alterations	£1,000,000	
12	Golspie High			Accessibility Issue		Installation of Lifts	£400,000	
13	Invergarry Primary	Replacement Building		ASN Issues	Upgraded Facility	Additional Accomm./ Demolition/Refurb.	£800,000	
14	Inverloch Primary			ASN/Security Issues		Internal Alterations	£40,000	
15	Keiss Primary	Replacement Building				Replacement of Nursery Unit	£350,000	

**SCHOOL ESTATE - GENERIC BUDGET HEADINGS**

Property		Justification/Outcomes				2018/19 Programme			
		Condition	Sufficiency	Suitability	Early Learning and Childcare	Scope of Work	Estimated Cost	Programme Notes	
16	Kinmylies Primary		Increase Capacity			Relocation of Double Classroom Unit	£100,000		
17	Lohcarron Primary			ASN Issues		ASN Alterations	£40,000		
18	Lybster Primary	Pupil Toilets				Refurbishment of Toilets	£50,000		
19	Marybank Primary	Heating/Toilets /Windows		Various		Internal Alterations	£50,000		
20	Melvich Primary	Various		ASN Issues	Expanded Facility	Refurbishment of Nursery	£200,000		
21	North Kessock Primary		Increase Capacity			Double Classroom Unit	£375,000		
22	Pennyland Primary			ASN Issues		ASN Alterations	£100,000		
23	Plockton High			ASN Issues		Extension to ASN Base	£100,000	Project phased over 2 years, further £250k 19/20 to complete	
24	Sleat Primary			Various	Expanded Facility	Internal Alterations	£200,000		
25	Tarradale Primary		Increase Capacity			Double Classroom Unit	£400,000		
26	Tomnacross Primary			Health & Safety		Perimeter Fencing	£20,000		
27	Ullapool Primary	Replacement Building			Upgraded Facility	Replacement of Nursery Unit	£200,000	Project phased over 2 years, further £800k 19/20 to complete	
28	Various Buildings - Demolition	Redundant Buildings				To be prioritised within available funding	£160,000	Achnasheen, Bridgend, Culcabock, Foyers and Poolewe	
							Sub-Totals	£6,680,000	
							Less ELC Funding	-£650,000	
							Totals	£6,030,000	