

**THE HIGHLAND COUNCIL**  
**EDUCATION, CULTURE AND SPORT COMMITTEE**  
**13 NOVEMBER 2008**

Agenda Item	
Report No	

**Capital expenditure - monitoring report for the 6 months to September 2008**

**Report by Director of Education, Culture and Sport**

**SUMMARY**

This report provides details of the net expenditure position to 30 September 2008 and projected year-end estimates based upon the ECS approved Capital programme of 7 August 2008. It includes information on Public Private Partnership Contracts and Schools curricular equipment purchases. It identifies a projected under spend of £0.328M and the recommendations to manage this position. Additional capital information is also provided on Essential School Roll Accommodation for August 2009, and an adjustment to the income receipt associated with Nairn Community Centre and an update on the Fire at Inverness High School.

**1.0 Introduction**

1.1 Appendix 1 contains details of the net expenditure position for the 6 months to 30 September 2008 and the projected year-end net expenditure estimates.

1.2 **Budgeted Expenditure** - identified by columns A, B and C as set out below:-

Column A	Budget Gross Expenditure as per capital programme	£31.941
Column B	Income from External Bodies (i.e. money we expect to draw down from External Funding Bodies such as sportscotland ERDF etc)	£4.477
Column C	Budgeted Net Expenditure (i.e. the net cost to the Council)	£27.464

1.3 **Actual Expenditure** – identified by columns D and E as set out below:-

Column D	Net expenditure to date (i.e. the amount paid out after income from External bodies)	£10.670
Column E	Net estimated outturn (i.e. the full year projected amount to be paid out based upon project costs less projected income)	£27.137

- Revised time-scale for receipt of income in relation to the Nairn Community Centre project.
- Delays in progressing a number of educational projects including Milton of Leys PS, Maryburgh PS/ Conon PS, Thurso HS refurbishment

- Delays with a number of Community Learning and Leisure projects

1.5 To off-set the above slippage a number of approved Capital projects relating to later years have been accelerated in part, including Wick HS toilet block, Nairn Academy demountable units, and Lochaline PS design.

Discussions with the Housing and Property and Finance Services continues to be ongoing regarding management of this slippage and what appropriate alternative projects can be undertaken at relatively short notice.

In addition the restoration costs relating to the recent fire at Inverness HS will amount to £0.250M in the current financial year. These costs will be off-set by the related insurance settlement once agreement has been reached with the loss adjusters. It is unlikely that the insurance settlement will occur in this financial year.

## 2.2 **PPP2**

- As reported previously to the Highland Council, this 11 school contract was signed on 29<sup>th</sup> March 2006. The contract for schools handed over to date is operating satisfactorily with the construction programme for the remaining works being on time. Hand over of the final school, Millburn Academy, took place on 6<sup>th</sup> October, with staff starting in the new school on 27<sup>th</sup> October and pupils on 3<sup>rd</sup> November.
- Monthly performance meetings with Alpha Schools are held in respect of the operational part of the contract.
- Expenditure on PPP2 curricular equipment is likely to be fully committed in the current financial year. although there may be some modest slippage into next financial year.

## 3.0 **Additional Accommodation Requirements to Meet Essential School Roll Changes**

3.1 The Service has been undertaking a review of Primary School capacities throughout the Highlands as part of an Asset Management Programme (the outcome of this exercise will be the subject of a separate report to the ECS Committee in January 2009). In addition work is on-going to establish the likely impact of school roll changes in future years.

3.2 Initial indications are that there is a need for additional accommodation at Grantown Grammar School and Nairn Academy for the 2009/10 school session with further indications that additional accommodation may be required at Kingussie High School for 2010/11. Provision has already been made within the capital programme for works at Grantown Grammar School (from the Essential School Roll budget) and Nairn Academy (from the 21<sup>st</sup> Century School budget). Members are therefore requested to note the following is being progressed:-

- Grantown Grammar School**
- Modular construction of a new science block to provide new Chemistry, Physics, Biology and General Purpose Laboratories along with Sixth Year Studies Laboratory.
  - Conversion of current Science Labs to General Classrooms.
  - Provision of a Graphic Design Classroom associated with the technical block.
- Nairn Academy**
- Modular Construction of a Library external to the school and conversion of the current library to form additional classrooms.
  - Review of Science Laboratories and, on advice of the school, development of the Science Department into a Modular Science Block thus releasing current Science Classrooms for General Purpose Classrooms.

### **3.3 Fire at Inverness High School**

- 3.3.1 Investigations as to the cause of the fire at Inverness High School are on-going. Whilst the fire was potentially serious the prompt action of the school janitorial staff and the Fire Brigade contained the impact to below the main stage area of the Assembly Hall with some smoke damage to the hall and immediate surrounds.
- 3.3.2 Work undertaken by the Head Teacher and Housing and Property Staff resulted in the school being ready to re-open on 23 October 2008. Regrettably the whole stage will require to be replaced and this means that the school assembly hall will not be available until the new year.
- 3.3.3 A budget line of £250,000 has been introduced into the capital programme to cover re-instatement costs and loss and this will be offset by Income from the Council Insurers once agreements have been reached with the Loss Adjusters.
- 3.3.4 Members are requested to note the efforts all concerned in responding to a fire that could have resulted in the total loss of Inverness High School.

### **4.0 Review of Income For Nairn Community Centre**

- 4.1 Members will be aware that Nairn Community Centre was a corporate project managed by ECS with a significant funding contribution from the Nairn Common Good. Fund. This availability of this funding was dependent upon the sale of Common Good land. The related sale of land is conditional upon planning consent which has been lodged by the developer and is currently being considered. However, it is anticipated that the planning considerations will not conclude until

later this year and as a result the income from the Nairn Common Good of £1.200M has been adjusted to be received in financial year 2010. Members are requested to note the significant impact upon the capital programme in out turn terms.

## **5.0 RECOMMENDATION**

**5.1** Members are requested to:

- i) Note the content of the report, in particular the measures being taken to ensure that the 2008-09 Capital allocation is fully committed.
- ii) Note the works to be undertaken at Grantown Grammar School and Nairn Academy to meet the statutory accommodation requirement of increasing school rolls.
- iii) Note the efforts of staff at Inverness High School and the Fire Service in preventing what might have been a more serious fire at the school.

Signature:

Designation: Director of Education, Culture & Sport

Date: 30 October 2008

Ref:

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**THE HIGHLAND COUNCIL**  
**MONITORING OF CAPITAL EXPENDITURE - SEPTEMBER - 2008-2009**

**SERVICE: EDUCATION, CULTURE & SPORT**

Project Description	Project Code	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)	Col E minus Col. C £(000)
<b>Community Learning &amp; Leisure</b>							
<b>Community</b>							
Eden Court ( latent defects and development grant)	21929/21347	200	0	200	399	399	199
Nairn Community Centre	22487	100	2,094	(1,994)	21	(794)	1,200
Village Halls (includes halls developed under Cap Disc Fund)	14811/21338	100	0	100	11	11	(89)
Village Hall Arnisdale - CDF	EC041	50	0	50	48	50	0
Village Hall Keiss - CDF	EC042	25	0	25	0	0	(25)
Village Hall Mey - CDF	EC076	132	0	132	37	132	0
Village Hall Minginish - CDF	EC077	150	0	150	39	150	0
Village Halls Waternish - CDF	EC078	30	0	30	0	0	(30)
Village Halls Raasay - CDF	EC052	0	0	0	(19)	(19)	(19)
<b>CLL Facilities</b>							
Leisure Facilities	15785/22690	783	0	783	127	505	(278)
Minor Works - Public Licences etc.	EC072	50	0	50	13	50	0
Golspie Leisure Centre (Sutherland Pool emergency repairs)	EC005	10	0	10	1	11	1

Golspie Leisure Centre (Sutherland Pool upgrade)	EC051	449	0	449	296	398	(51)
NOF Facilities Programme - Various Retentions	22689/21563/EC044	225	0	225	47	178	(47)
Cricket Pavilion Fraser Park	EC092	0	0	0	3	3	3
<b>Highland 2007 Legacy Projects</b>							
Highland Gallery and Museum (Inverness City funding)	EC080	100	0	100	29	100	0
Highland Folk Museum	22633	100	0	100	2	100	0
Highland Archive and Registration Centre	22633	6,412	2,250	4,162	1,933	4,162	0
<b>Highland 2007 Core Programme</b>							
Highland Archive Network		95	0	95	0	0	(95)
Lochaber Spoke (Fort William)		0	0	0	0	10	10
Skye & Lochalsh Spoke		0	0	0	1	120	120
Caithness Spoke (Wick)		0	0	0	3	3	3
		0	0	0	0	0	0
Highland 2007 Grant Scheme/Projects Carried Forward		130	0	130	0	0	(130)
Highland 2007 Grant Scheme		0	0	0	57	64	64
FAS/SMO		0	0	0	40	79	79
Ferrycroft/Lairg Auction Mart		0	0	0	57	59	59
Sutherland Sports Facility		80	0	80	5	80	0
<b>EDUCATION</b>							
<b>Major Projects</b>							
Lochaber High School Refurbishment, Phase 1	22241	1,012	0	1,012	613	800	(212)

Lochaber High School Refurbishment, Phase 2	EC114	221	0	221	0	221	0
Mallaig Hostel	22891	2,617	0	2,617	601	2,500	(117)
<b>Secondary Schools Upgrade Programme</b>							
Thurso High - Refurbishment of Extension Block and ScienceLabs)	EC020	1,308	0	1,308	302	1,100	(208)
Nairn Academy - SEN Extension	EC021	670	0	670	713	713	43
Farr High/Primary Roadworks (H&S)	22892	40	0	40	2	40	0
Plockton High - Games hall roof and Future Upgrade	EC022	55	0	55		55	0
Nairn Academy Demountable Unit	0	0	0	0	0	250	250
Wick High School Toilet Block	0	0	0	0	0	50	50
<b>Primary Schools Programme</b>							
Acharacle Primary Replacement	22108	5,000	0	5,000	1,438	4,700	(300)
Aviemore Primary Replacement	EC018	522	0	522	128	522	0
Conon Bridge/Maryburgh Primary	EC019	211	0	211	0	50	(161)
Lochaline Primary School	EC001	0	0	0	0	100	100
Tomnacross Primary Extension	EC087	1,086	50	1,036	116	850	(186)
<b>PPP2</b>							
21st Century Schools - (Includes PPP2 land purchase)	22072	0	0	0	4	4	4
PPP2 Consultancy	20894	0	0	0	60	60	60
<b>Curricular Equipment</b>	0	0	0	0	0	0	0
New Schools Curricular Equipment	EC025/EC066	3,302	0	3,302	1,412	3,003	(299)
<b>Asset Management</b>							
Roll Pressures	20812	700	0	700	298	700	0

SEN Early Years Improvement/adaptations	21528/22573	700	0	700	594	650	(50)
Health & Safety	20790/22520	300	0	300	195	300	0
School Security	21141	50	0	50	7	10	(40)
Major Fabric Improvement Projects	20743	350	0	350	116	350	0
Area Devolved Funding (H&S, Care Commission & HMle reports)	22778/EC129- EC131	500	0	500	146	500	0
Office Accommodation (Ness, Ruthven, Townhouse)	21784	235	0	235	161	235	0
Retentions (Various)	Various	50	0	50	26	50	0
Transfer of Plant from redundant schools	EC111	85	0	85	17	85	0
Purchase of CHP Plant at Inverness Lesiure	EC117	125	0	125	0	125	0
Avoch P.S. and Community Centre Servitude to Broadland Properties	EC110	0	0	0	(5)	(5)	(5)
<b>Catering and Cleaning</b>							
Catering Equipment Repair	20789	50	0	50	23	40	(10)
Floor Upgrades	22036	90	0	90	7	75	(15)
Dining Room Upgrades	EC048	150	0	150	1	150	0
Capital Equipment Replacement	EC073	50	0	50	3	40	(10)
<b>ICT</b>							
Schools ICT Integrated Programme	15699/EC026	620	0	620	132	637	17
Telephone exchange replacements	EC098	50	0	50	0	50	0
<b>Projects undertaken since November 2006</b>							
<b>Community Projects</b>							
Pool Maintenance	EC007	10	0	10	2	10	0

Halkirk Sports Facility - Contribution to development	0	100	0	100	0	0	(100)
Barrowgill Hall Contribution to Northern College Skills for Work Fac.	0	90	0	90	0	90	0
<b>Miscellaneous Projects</b>							
Early Years Childcare & Play	EC083	600	0	600	239	500	(100)
Kilchuimen Multi Use Games Area	EC011	150	0	150	0	150	0
Gaelic Signage to Schools	EC118	50	0	50	0	0	(50)
Technical Room Dust Extraction Rolling Programme	EC006	25	0	25	13	25	0
Synthetic Turf Pitch Rejuvenation	EC108	100	0	100	54	100	0
Grass Pitch Condition and improvement	EC119	50	0	50	0	50	0
Cashless Payment Systems	EC079	160	0	160	31	160	0
Skye Multi Use Games Area	EC003	0	0	0	(30)	68	68
<b>Priorities Arising Since November 2006 5 Year Plan</b>							
<b>Individual Projects</b>							
Milton Primary School Refurbishment - Kildary	23040	12	0	12	0	12	0
Milton of Leys P S - Inverness	EC121	375	0	375		200	(175)
Inshes Primary School Extension	EC104	448	0	448	444	457	9
PPP2 Change Orders	EC081	0	0	0	(350)	(50)	(50)
Black Isle Education Centre Replacement (estimated cost)	EC123	68	0	68	0	0	(68)
Cradlehall Primary Drop Off - Health and Safety	EC124	150	0	150	0	150	0
Former Achintore School - Remedial Works	0	100	0	100	0	100	0
Plockton High School, Hostel - Alterations to Showers	EC107	83	83	0	6	0	0

Tairrace Project - Fort William	EC106	0	0	0	3	3	3
Inverness High School - Fire	0	0	0	0	0	250	250
<b>OVERALL TOTAL</b>		<b>31,941</b>	<b>4,477</b>	<b>27,464</b>	<b>10,670</b>	<b>27,137</b>	<b>(328)</b>

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Notes:

Additional income realised during financial year must be reported to Service Committee and thereafter Columns A and B adjusted

The Overall Total figure for Column C must always equal the Service's approved Capital Budget.