

THE HIGHLAND COUNCIL
EDUCATION, CULTURE AND SPORT COMMITTEE
12 NOVEMBER 2009

Agenda Item	4.
Report No	ECS/48/09

Capital Expenditure and Monitoring Report

Report by Director of Education, Culture and Sport

SUMMARY

This report sets out the Capital Programme net expenditure position to 30 September 2009 and progress with the major projects, including the completion of extensions to Nairn Academy and Grantown Grammar School using modular construction techniques. The report also seeks Member approval in relation to the following:

- Proposed 2 classroom extension to Bun-sgoil Inbhir-Nis
- Proposed investment at Glenurquhart Primary School to meet community demand for Gaelic provision.

The report also advises Members of progress with the technical feasibility study currently underway at Wick High School and how the outcome of this study will inform the proposed replacement/major refurbishment of this school.

1. Introduction

1.1 **Annex 1** contains details of the actual net expenditure position for the 6 months to 30 September 2009 and the related 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	£M 32.090
Column B	Income from External Bodies (i.e. money we expect to draw down from External Funding Bodies such as sportscotland ERDF etc)	2.553
Column C	Budgeted Net Expenditure (i.e. the net cost to the Council)	29.537

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)	12.713
Column E	Net estimated outturn (i.e. the full year projected amount to be paid out based upon project costs less projected income)	29.712

- 1.4 Variance – Column E minus Column C shows a projected overspend of £0.175M at this point in the financial year.
- 1.5 Members were advised at the 6 August 2009 Education, Culture and Sport Committee that £1.36M of over programming had been introduced into the programme due to the acceleration of projects. Further review of project cash-flows has identified that an additional £0.802M over-programming is now anticipated by the year end. This position is being continuously reviewed and discussed with both the Finance Service and the Housing and Property Service regarding the management of the over programming inherent within the programme. In the interim the net budget has been increased by £2.162M with a compensatory reduction in 2010-11.

The funding arrangement for the procurement of four new mobile library vehicles is currently subject to an option appraisal exercise. When this exercise has been completed the appropriate budgetary adjustments will be made. This outstanding issue accounts for £0.432M of the current over programming.

2. Other Capital Matters

- 2.1 **Modular construction techniques** – as previously reported to Members modular construction techniques were adopted to provide additional classroom capacity at both Nairn Academy and Grantown Grammar School. This approach has proved very successful with a high quality product being delivered on-time by Britspace in partnership with colleagues within ECS and the Housing and Property Service. The modular construction approach has a number of benefits not least of which is the timescale within which a good quality building can be provided thereby minimising disruption within the school campus. It is proposed that the use of modular construction techniques for future School Estate projects is considered in conjunction with the Director of Housing and Property Service.
- 2.2 **Wick High School** – was included within the initial school estate investment proposals announced by the Scottish Government on the 28th September 2009. Officials from the Scottish Futures Trust which has been appointed to manage, co-ordinate and drive forward the Schools Investment Programme nationally, are currently in discussion with colleagues in ECS and HAPS to in-gather further background information in relation to the proposed investment.

In parallel a feasibility study, led by an external firm of architects, is underway and is considering the following options for Wick High School:-

- Refurbishment
- Redevelopment
- Replacement

Design studies will be generated, following consultation with stake-holders. Thereafter, it is anticipated that by the end of November 2009 recommendations will be made based on the relative advantages/disadvantages of the options generated.

Members will recall that a £1.0M investment at Wick High School is already within the approved ECS Capital programme. This investment decision, which was always regarded as an interim measure pending future investment decisions

relating to the school, should now be re-considered in light of the above funding announcement. It is proposed therefore that this investment is reviewed and that only essential work/improvements, agreed in conjunction with stake-holders, is undertaken.

The recommendations from this feasibility study will be incorporated within the outline business case that will be produced for Wick High School. This will also form part of the approval process for Scottish Government funding and Scottish Futures Trust involvement in the procurement of any new development.

2.3 **Proposed extension to Bun-sgiol Inbhir-Nis** – the current roll at the school is 126 and it is anticipated that based on current roll projections there will be accommodation pressures by the start of the new academic session in August 2010. The original design and specification of the school anticipated that the school would be extended at some point and as such an extension could be accommodated with relative ease. It is recommended that the school be extended by 2 classrooms and that officers enter into discussions with the Director of Finance and Depute Chief Executive to determine how this project can be progressed within the terms of the PPP2 contractual arrangements and the related best value funding options. These options will be presented to Members for consideration at the ECS Committee in January 2010.

2.4 **Gaelic medium provision at Glenurquhart Primary School** – a number of parents in Drumnadrochit have requested Gaelic Medium provision for their children. Their request is supported by evidence that should Gaelic Medium provision be made, the number of participating pupils would be viable both in terms of the Council's Policy and experience with other Gaelic Medium facilities in Highland. Elsewhere on this agenda Members have been asked to approve the terms of the statutory consultation for the provision of Gaelic Medium provision at Glenurquhart PS.

On the basis of the above statutory consultation it is necessary to identify suitable accommodation within or adjacent to Glenurquhart PS. The accommodation required is one classroom, one nursery room, ancillary accommodation and external play area for nursery children at an approximate cost of £500,000 for either extension or demountable unit. On the basis that there is no funding for this project within the approved ECS Capital programme an outline business case be produced in early 2010 for consideration thereafter within the corporate Capital review process.

3. RECOMMENDATIONS

3.1 Members are requested to approve:

- That the approved £1.0M investment at Wick High School is reviewed and that only essential investment, as set out in paragraph 2:2 of this report, is incurred.
- The Inverness Gaelic School be extended by 2 classrooms to address emerging accommodation pressures and that officers enter into discussions with the Director of Finance and Depute Chief Executive to determine how this project can be progressed within the terms of the PPP2 contractual arrangements and the related best value funding options and that these options be presented to Members for consideration at the ECS

Committee in January 2010.

- That in response to a viable local demand for Gaelic Medium education, and in line with Council policy, an outline business case is produced for additional accommodation at Glenurquhart Primary school (as outlined in paragraph 2:5 above) for consideration thereafter within the corporate Capital review process.

Signature:

Designation: Hugh Fraser, Director of Education, Culture & Sport

Date: 31st October 2009.

Author Ron Mackenzie, Head of Support Services

Background papers:

Annex 1 – Capital Programme monitoring statement as at 30th September 2009.

THE HIGHLAND COUNCIL - ANNEX 1							
MONITORING OF CAPITAL EXPENDITURE - SEP 2009							
SERVICE: EDUCATION, CULTURE & SPORT							
		BUDGET			ACTUAL		VARIANCE
		A	B	C	D	E	F
Project Description	Project Code				Net	Net	
		Gross		Net	Expenditure	Estimated	Col E minus
		Expenditure	Income	Expenditure	to date	Outturn	Col. C
		£(000)	£(000)	£(000)	£(000)	£(000)	£(000)
Community Learning & Leisure							
Community							
Village Halls	14811/21338	0	0	0	0	0	0
Village Hall Armisdale	EC041	3	0	3	3	3	0
Village Hall Keiss	EC042	25	0	25	25	25	0
Village Hall Mey	EC076	21	0	21	10	21	0
Village Hall Minginish	EC077	57	0	57	52	57	0
CLL Facilities	0	0	0	0	0	0	0
Leisure Facilities	15785/22690/E C149	1,501	140	1,361	117	760	(601)
Minor Works - Public Licences etc.	EC072	69	0	69	14	69	0
Golspie Leisure Centre (Sutherland Pool upgrade)	EC005/EC051/ 21563	106	0	106	8	106	0
Cricket Pavilion Fraser Park	EC092	191	0	191	0	191	0
Halkirk Sports Facility - Contribution to development	0	200	0	200	0	0	(200)
Kilchuimen Multi Use Games Area	EC011	150	0	150	134	150	0
Tailrace Project - Fort William	EC106	292	300	(8)	0	(8)	0
Queens Park track resurfacing	EC137	63	0	63	0	70	7
Caithness Broch Centre	EC145	110	110	0	54	0	0
Highland Gallery and Museum (Inverness City funding)	EC080	300	0	300	0	0	(300)

Highland Folk Museum	22633/EC113	150	0	150	23	150	0
Highland Archive and Registration Centre	22633	3,714	1,419	2,295	1,720	2,295	0
Highland Archive Network	22633	0	0	0	0	0	0
Skye & Lochalsh Spoke	22633	155	0	155	125	155	0
Caithness Spoke (Wick)	22633	0	0	0	8	8	8
Sutherland Sports Facility	EC109	173	0	173	25	100	(73)
Purchase of Replacement Library Vans	0	0	0	0	0	432	432
Regional Cultural & Sports Facilities, Caithness	0	50	0	50	0	0	(50)
-	0	0	0	0	0	0	0
EDUCATION	0	0	0	0	0	0	0
Major Projects	0	0	0	0	0	0	0
Lochaber High School Refurbishment, Phase 1	22241	3,400	0	3,400	1,056	3,400	0
Lochaber High School Refurbishment, Phase 2	EC114	2,500	0	2,500	457	2,500	0
Lochaber High School Refurbishment, Phase 3	0	200	0	200	0	200	0
Mallaig Hostel	22891	1,893	23	1,870	854	1,870	0
Ullapool Hostel	EC127	50	0	50	0	50	0
Secondary Schools Programme	0	0	0	0	0	0	0
Thurso High - Refurbishment of Extension Block and ScienceLabs)	EC020	465	0	465	309	465	0
Nairn Academy - SEN Extension	EC021	45	0	45	85	100	55
Farr High/Primary Roadworks (H&S)	22892	114	0	114	15	114	0
Nairn Academy Modular Unit	0	2,463	0	2,463	1,544	2,689	226
Grantown Grammar Modular Unit	0	1,948	0	1,948	1,989	2,222	274
Plockton High - Games hall roof and Future Upgrade	EC022	300	0	300	71	500	200
Plockton High School, Hostel - Alterations to Showers	EC107	68	31	37	0	37	0
Wick High Dining Room, Toilets and Changing Rooms	EC138	900	0	900	61	900	0
Kingussie High School Replacement Footbridge	0	86	0	86	4	86	0
Technical Room Dust Extraction Rolling Programme	EC006	186	0	186	110	186	0

Primary Schools Programme	0	0	0	0	0	0	0	0
Acharacle Primary Replacement	22108	901	0	901	702	901	0	0
Aviemore Primary Replacement	EC018	638	0	638	41	638	0	0
Conon Bridge/Maryburgh Primary	EC019	450	0	450	0	450	0	0
Cradlehall Primary Drop Off - Health and Safety	EC124	70	0	70	0	70	0	0
Farr Primary, Inverness - Extension	EC125	200	0	200	1	200	0	0
Kilchuimen Primary - Extension	EC126	580	0	580	19	420	(160)	0
Lochaline Primary School	EC001	250	0	250	0	250	0	0
Milton Primary School Refurbishment - Kildary	23040	10	0	10	0	10	0	0
Milton of Leys P S	EC121	250	0	250	4	250	0	0
Milton of Leys P S - Enabling Works	0	100	0	100	0	100	0	0
Tomnacross Primary Extension	EC087	370	0	370	304	370	0	0
Greater Fort William Primary Schools rationalisation	0	50	0	50	0	100	50	0
Roy Bridge Primary	0	300	0	300	21	300	0	0
Curricular Equipment	0	0	0	0	0	0	0	0
New Schools Curricular Equipment - PPP	EC025/EC066/ EC067/EC104	479	0	479	246	461	(18)	0
New Schools Curricular Equipment - Non PPP	0	200	0	200	0	200	0	0
Asset Management	0	0	0	0	0	0	0	0
Roll Pressures	20812	350	0	350	270	350	0	0
SEN Early Years Improvement/adaptations	21528/22573	150	45	105	136	105	0	0
Science/Home Ec. Classroom Upgrades	0	50	0	50	0	10	(40)	0
Health & Safety	20790/22386/2 2520	150	0	150	111	200	50	0
School Security	21141/EC107	50	0	50	21	50	0	0
Major Fabric Improvement Projects	20743/EC135/ EC128	1,639	0	1,639	744	1,639	0	0
Area Devolved Funding (H&S, Care Commission &	22778/EC129-	500	0	500	247	500	0	0

HMIe reports)	EC131							
Office Accommodation (Ness, Ruthven, Ardross St)	21784	75	0	75		32	360	285
Retentions (Various)	Various	50	0	50			50	0
Black Isle Education Centre Replacement (estimated cost)	EC123	75	0	75		0	0	(75)
Former Achintore School - Remedial Works	EC136	93	0	93		0	15	(78)
Inverness High School - Fire	EC133	130	350	(220)		168	(150)	70
East Seaboard SEN (estimated cost)	0	50	0	50		0	0	(50)
Water Sensors Spend to Save	0	135	135	0		0	0	0
Thermostatic Mixing Valves	0	100	0	100		0	100	0
Catering and Cleaning	0	0	0	0		0	0	0
Floor Upgrades	22036	124	0	124		8	80	(44)
Dining Room Upgrades	EC048	267	0	267		26	183	(84)
Capital Equipment	EC073/20789	111	0	111		30	111	0
Cashless Payment Systems	EC079	240	0	240		0	135	(105)
ICT	0	0	0	0		0	0	0
Schools ICT Integrated Programme	15699/EC026	581	0	581		332	581	0
Telephone exchange replacements	EC098	200	0	200		0	200	0
-	0	0	0	0		0	0	0
Miscellaneous Projects	0	0	0	0		0	0	0
Early Years Childcare	EC083	260	0	260		229	260	0
Resolis Memorial Hall Grant	0	10	0	10		0	10	0
Aird and Lochness Ward Projects	0	206	0	206		0	0	(206)
Synthetic Turf Pitch Rejuvenation	EC108	200	0	200		141	200	0
Grass Pitch Condition and improvement	EC119	100	0	100		4	100	0
Capital discretionary fund for UHI History Centre Grant	0	200	0	200		0	0	(200)

Overcommitment	0	(802)	0	(802)	0	0	802
-	0	0	0	0	0	0	0
OVERALL TOTAL		32,090	2,553	29,537	12,713	29,712	175