

The Highland Council

Education, Children and Adult Services Committee 12th November 2014

Agenda Item	7.
Report No	ECAS 46/14

Report on the Status of the Care and Learning Capital Programme and Estate Management Issues

Report by Director of Care and Learning

Summary

This report advises on progress with the Care and Learning capital programme and budget monitoring position, and seeks approval for additional funding for several projects.

The report also updates on progress with the Sustainable School Estate Review and seeks approval for recommended actions on some specific matters.

1 Background

- 1.1 Section 2 advises on progress with the overall Care and Learning Service capital programme for 2014/15 and provides an update on the major projects currently being undertaken as well as seeking approval for a number of recommendations.
- 1.2 Section 3 provides an update on the various phases of the Sustainable School Estate Review.
- 1.3 Section 4 seeks approval for recommended actions on various estate management issues.

2 2014-15 Capital Programme

- 2.1 **Capital Monitoring: Appendix 1** provides details of the expenditure to the end of September 2014. The estimated final year-end position is an under-spend of £5m. The main factors leading to the slippage are as shown on the appendix and include; Inverness Leisure Facility, Portree High School Hostel, Cromarty Primary School and Fort William Caol Joint Campus. These project slippages are partly offset by acceleration in the lifecycle investment project line.

A review of the expenditure profiles and programmes for all of the main budget headings in the Care and Learning capital programme is currently underway. At the same time, we are liaising with colleagues in Finance to ensure that the implications of any changes are factored into any future update of the Council's overall capital programme.

- 2.2 **Major Projects: Appendix 2** updates on the status of the major projects that are currently being progressed. There have been a number of significant developments since the last meeting of this Committee as follows:
 - The award of the contract for the extension and refurbishment project at Cromarty Primary School.
 - The instruction to proceed with the Phase 4 works at Lochaber High School.
 - Work has started on the Caol Joint Campus project.

- **Wick Schools:** Since the last update to Committee, local members and stakeholders have been given updated completion dates in relation to the Noss Primary and Wick Campus projects. In relation to Noss, 10 weeks of slippage in the expected completion date to 2 October 2015 was advised by the contractor, due to the withdrawal of a sub-contractor and the knock on impact in relation to identifying and sourcing a new sub-contractor, and the impact of certain works now being pushed into the winter period. In relation to the Campus, work is ongoing to conclude the main DBFM (design, build, finance, maintain) contract, with the estimated completion date for the school expected to be mid-September 2016 rather than July 2016. Work is ongoing to conclude the main DBFM contract, and in the interim, on Monday 6th October a second early works contract (EWC2) was concluded to accelerate £3.2m of works that would have formed part of the main DBFM contract. With the aim of maintaining the overall programme for the Wick Campus project, consideration is being given to acceleration of other aspects of DBFM contract works.

- 2.3 **Adult and Children's Services:** A list of the projects is included in **Appendix 3**.
- 2.4 **The School Estate, Future Investment Priorities:** Work is continuing in identifying future capital investment priorities in the school estate in line with the approach outlined at previous meetings of this Committee. This approach takes account of the three "Core Facts" (Condition, Suitability and Sufficiency) along with a range of other initiatives and pressures (including Additional Support Needs, Early Learning and Childcare, Gaelic Medium Education and School Meals). An update will be reported to a future meeting of this Committee once the amount of funding available in future years from the generic budget headings of Life Cycle Investment, Roll Pressures and Sustainable School Estate Review has been confirmed.
- 2.5 **St Clement's and St Duthus Schools:** Both of these projects have been subject to delays during the planning stages. All issues have now been addressed and approval is expected to be received for both projects in the near future. However, the total cost of these projects has risen due to a number of factors including the need to provide additional accommodation to meet demand for places, meet planning conditions, the specific requirements for the needs of the pupils and inflationary increases. It is proposed that the cost increases from £3.2m to £4.5m are met from the following; funding available from the Fort William Primary School budgets following the award of those contracts, a review of other capital projects to identify where slippage or review may free up capital funding. These adjustments will be factored into the review of the overall programme as detailed in Paragraph 2.1.
- 2.6 **ICT Investment:** At the August Committee, the capital monitoring report highlighted a matter which would come back to this meeting. 'Category F schools' refers to a number of schools which had new ICT immediately prior to the commencement of the current ICT contract with Fujitsu, and as a result a decision had been taken that these schools would not therefore have their ICT refreshed during the course of the contract. Since that decision, the ICT contract has been extended and these schools now have ICT that is now 6 or 7 years old and whose operational performance is deteriorating. There is a need to address the standard of that ICT and make arrangements to put in place refreshed ICT that meets the needs of the school.

- 2.7 The age of the ICT equipment and its performance relative to that in other schools makes a clear case for investment. Feedback from school has also evidenced the need for action to be taken. Through this report, agreement in principle to the ICT refresh of 'category F' schools is sought, as well as agreement to adjustments to the capital programme to make funding available.
- 2.8 **Appendix 4 and Appendix 5** set out the information and rationale reported to the August meeting of this Committee. It sets out the proposed device:pupil ratio to be implemented in these schools as part of the ICT refresh programme. The objective being to ensure a consistent level of ICT relative to that in other schools, and in so doing having an ICT refresh approach that is affordable, sustainable and equitable.
- 2.9 Members will be aware that work is ongoing in relation to the Council's ICT re-provisioning, and future ICT and Learning Strategy, which will shape the nature of ICT to be rolled out to schools in future years. The implementation of a programme of refreshed ICT in schools would therefore be taken forward in conjunction with colleagues in ICT services and linking to these ongoing areas of work. Pending those activities, the basis of this report is for ICT capital funding of up to £1.2 million across 2014/15 and 2015/16, to allow ICT to be refreshed within these schools and the replacement of up to 2,000 devices. Securement of funding agreement will allow the implementation programme to be developed. With slippage in the current years capital programme, and forecast slippage in 2015/16 also, it is proposed that funding for this ICT can be met in those years as a result, with adjustments made to future year's capital programmes as part of subsequent capital reviews.

3 Sustainable School Estate Review

- 3.1 **Scottish Schools for the Future:** On 9 October 2014, John Swinney MSP confirmed a further £230million of funding to support Phase 4 of the Scottish Schools for the Future Programme. Previous phases of this funding stream have supported the Inverness Royal Academy and Wick Campus projects, and allowed funding to be made available for the proposed Tain 3-18 Campus which is subject to a statutory consultation at present. In relation to Phase 4, Council officers have been in discussion with Scottish Government (SG) and Scottish Future Trust (SFT) officials in recent weeks. The Council is optimistic that it may receive further funding, and discussions are ongoing in relation to SG/SFT criteria and the Council's priorities, to determine which project(s) may go forward for consideration. The Council understands Scottish Government will announce which projects will benefit from the £230 million at some point during November.
- 3.2 **Tain Royal Academy Associated School Grouping (ASG):** The statutory consultation period has now ended and a final proposal will be reported to the February 2015 meeting of this Committee. The Council was previously advised of additional funding for the Wick project which could be released to support the Tain proposal. The Council now has a formal notification from Scottish Government although the exact level of funding is still to be determined.
- 3.3 **Alness Academy and Invergordon Academy ASG's:** As reported to the last meeting of this Committee, any future proposals will be dependent on additional capital funding becoming available. As highlighted within the report, work is ongoing in relation to reviewing the capital programme and exploring opportunities for Scottish Schools for the Future funding.

- 3.4 **Inverness and Nairn ASG's:** An exercise is currently underway to review school capacity issues in the Inverness City area and is the subject of a separate report to this Committee.
- 3.5 **Plockton and Portree ASG's:** It is proposed that the outcome of the statutory consultation process for future Primary and Pre-School provision in north-west Skye will be reported to the January 2015 meeting of this Committee.
- 3.6 **Strontian Primary School:** This is the subject of a separate report to this meeting of the Committee.
- 3.7 **Future Phases:** As reported elsewhere, officers are currently reviewing the amount and timing of any funding that will be available in the future. The outcome of this process will help to establish when any further phases on the SSER process would be required to be carried out and to identify the ASG's that would need to be prioritised.

4 Other Matters

- 4.1 **Residential Estate:** Following the report to the last meeting of this Committee, discussions are ongoing with colleagues in Housing over the future management arrangements and the investment required in these properties. Letters will be issued to all tenants in due course advising them of the current position.
- 4.2 **Achiltibuie Primary School House:** The house is vacant the Council has no operational need to retain it. The Coigach Community Development Company is currently preparing a business case to support an application to acquire the property and it is recommended that it is formally declared surplus to requirements to allow this process to continue.

5 Implications

- 5.1 Resource – forecast slippage as set out on appendix 1. Recommendations in relation to St Duthus and St Clements costs (paragraph 2.6), and ICT funding (paragraph 2.6).
- 5.2 Legal – No particular implications to highlight.
- 5.3 Equalities – No particular implications to highlight.
- 5.4 Climate Change/Carbon Clever – All new projects are designed in accordance with the Council's policies, and would be expected to deliver positive improvements in relation to carbon emissions.
- 5.5 Risk – All major projects are subject to a full risk management process and ongoing monitoring and review.
- 5.6 Gaelic – There is a commitment to provide new schools in Fort William and Portree.
- 5.7 Rural – No particular implications.

Recommendations

The Committee is asked to:

- 1) Note the position as at the end of September 2014 for the 2014/15 capital programme as outlined in Paragraph 2.1 and detailed in Appendix 1;
- 2) Note the status of the major projects as detailed in Paragraph 2.2 and listed in Appendix 2;
- 3) Agree that the budget for the projects at St Clement's and St Duthus Schools is increased from £3.2 million to £4.5 million as detailed in Paragraph 2.5;
- 4) Agree to allocate funding of up to a maximum of £1.2 million across 2014/15 to 2015/16, from slippage in the capital programme to fund the ICT refresh for 'category F' schools, and agree the proposed pupil:device ratio for these schools, to ensure consistency with other schools, as set out in Paragraph 2.6, Appendix 4 and Appendix 5;
- 5) Note the current position in relation to the various phases of the Sustainable School Estate Review and the ongoing discussions regarding Phase 4 of the Scottish Schools for the Future Programme, all as detailed in Section 3;
- 6) Note the current position with regard to the properties on the Care and Learning residential estate as described in Paragraph 4.1;
- 7) Agree that Achiltibuie Primary School House is declared surplus to operational requirements as described in Paragraph 4.2.

Signature: Bill Alexander

Designation: Director of Care and Learning

Date: 4th November 2014

Authors: Brian Porter, Head of Resources, Care and Learning
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Background Papers

- Appendix 1** 2014/15 Care and Learning Capital Programme Monitoring Statement, June 2014
- Appendix 2** Status of Major Capital Projects
- Appendix 3** Adult and Children's Services Programme
- Appendix 4** ICT Investment – Extract from August Committee Report
- Appendix 5** ICT device replacement in schools that have not received a device refresh since prior to 2010

SERVICE: CARE AND LEARNING

Project Description	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)	To Date to Outturn £(000)	Col E minus Col. C £(000)
COMMUNITY LEARNING AND LEISURE							
Community and Leisure Facilities							
Am Fasgadh (Highland Folk Museum)	104	0	104	7	104	97	0
Community and Leisure Facilities	437	0	437	19	187	168	(250)
Esk Road Play Park	0	0	0	136		(136)	0
Highland Archive and Regsitriation Centre	15	0	15	0	15	15	0
Invergordon Leisure	646	0	646	33	896	863	250
Inverness Leisure Facility	2,669	0	2,669	34	1,669	1,635	(1,000)
Leisure Facilities	75	0	75	37	75	38	0
North Coast Leisure - CDF	15	0	15	15	15	0	0
Sleat & Strath Amateur Football Club - CDF	30	0	30	30	30	0	0
Thurso Library	1,024	0	1,024	9	774	765	(250)
Thurso Swimming Pool	650	0	650	2	400	398	(250)
EDUCATION							
Secondary Schools Programme							
Golspie High - Re-Roofing/Replacement Windows	7	0	7		7	7	0
Grantown Grammar - Extension	25	0	25	12	25	13	0
Inverness Royal Academy	9,024	0	9,024	2,886	9,024	6,138	0
Kingussie High - Extension	177	0	177	211	277	66	100
Lochaber High - Refurbishment Phase 3	7,115	0	7,115	3,138	7,115	3,977	0
Nairn Academy - Extension	25	0	25	0	25	25	0
Portree High School Hostel	1,842	0	1,842	172	342	170	(1,500)
Wick Joint Campus	1,381	0	1,381	318	1,381	1,063	0
Primary Schools Programme							
Acharacle Primary - New School	8	0	8	3	8	5	0

SERVICE: CARE AND LEARNING

Project Description	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)	+/- To Date to Outturn £(000)	Col E minus Col. C £(000)
Estate Management							
Catering, Cleaning and Facilities Management	200	0	200	63	200	137	0
Early Years and Childcare (600 hours)	1,467	0	1,467	534	1,467	933	0
Estate Strategy - Life Cycle Investment	576	0	576	1,890	2,450	560	1,874
Estate Strategy - Roll Pressures	572	72	500	558	500	(58)	0
Former Achintore School	10	0	10	0	10	10	0
ICT Investment	100	0	100	36	100	64	0
Radon Remedial Works	0	0	0	32	250	218	250
Sustainable School Estate Review	150	0	150	71	150	79	0
OVERALL TOTAL	65,513	1,376	64,137	18,798	59,137	40,340	(5,000)

APPENDIX 2 - STATUS OF MAJOR CAPITAL PROJECTS AS AT 4/11/2014

Project	Progress Report	Start Date		Completion Date		Total Project Cost		
		Programmed	Actual/ Estimated	Programmed	Actual/ Estimated	Approved	Estimated Final	
AT POST-CONTRACT STAGE								
1	Mount Pleasant Primary - Roof and Window Replacements	Works progressing on site.	June 2014	July 2014	August 2014	November 2014	£800,000	£800,000
2	Pennyland Primary - Roof and Window Replacements	Works progressing on site.	June 2014	July 2014	August 2014	November 2014	£700,000	£700,000
3	Central Primary - Kitchen/Dining, Nursery and Doorways	Phase 1 completed, phase 2 progressing on site.	September 2013	March 2014	January 2014	Phase 1 - August 2014, Phase 2 - December 2014	£1,500,000	£1,700,000
4	Invergordon Leisure Centre - Extension/Internal Alterations	Works progressing on site.	July 2013	August 2014	November 2013	December 2014	£990,000	£990,000
5	Thurso Library - Refurbishment	Works progressing on site.	March 2014	October 2014	December 2014	May 2015	£1,250,000	£1,250,000
6	Lochaber High Phases 3 and 4	Phase 3 works on programme to complete by April 2015. Phase 4 works to be completed by July 2015.	June 2013	June 2013	June 2015	July 2015	£16,000,000	£16,000,000
7	New Gaelic Primary School, Fort William	Works progressing on site.	May 2014	April 2014	July 2015	July 2015	£7,860,000	£7,860,000
8	New Primary School, Lundavra Road, Fort William	Delayed start on site due to planning issues. Works have now commenced on site.	January 2014	May 2014	April 2015	October 2015	£11,975,000	£11,975,000
9	New Noss Primary School, Wick	Works have commenced on site.	May 2014	June 2014	June 2015	October 2015	£14,500,000	£14,500,000
10	Cromarty Primary - Extension and Refurbishment	Delays due to site acquisition. Contract now awarded.	July 2013	Jan 2015	May 2014	Nov 2015	£2,750,000	£2,750,000
11	New Primary School/Community Centre, Caol Joint Campus	Delayed start on site due to planning issues. Works have now commenced on site.	October 2013	October 2014	July 2015	School - August 2016; Final - December 2016	£14,640,000	£14,640,000

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Project	Progress Report	Start Date		Completion Date		Total Project Cost		
		Programmed	Actual/ Estimated	Programmed	Actual/ Estimated	Approved	Estimated Final	
12	Inverness Leisure - Refurbishment	Works have now commenced on site.	June 2013	Sept 2014	January 2014	July 2015	£3,500,000	£3,500,000
13	Inverness Royal Academy	Enabling works contract completed.	May 2014	Aug 2014	June 2016	June 2017	£35,400,000	£35,400,000
AT DESIGN STAGE								
14	St Clements School - New Annexe	Awaiting planning approval.	July 2014	TBC	August 2014	TBC	£1,200,000	
15	St Duthus School - Replacement Accommodation	Awaiting planning approval.	July 2014	TBC	August 2014	TBC	£2,000,000	
16	Thurso Swimming Pool - Extension and Refurbishment	Out to tender.	January 2013	Feb 2015	December 2013	Nov 2015	£2,000,000	
17	Portree Hostel	Progressing with Stage D proposals. Target date for Planning submission 15 August 2014.	January 2015	April 2015	December 2015	December 2015	£3,500,000	
18	Wick Community Campus	Enabling works underway. Main DBFM contract to be concluded.	September 2012	September 2014	July 2014	September 2016	£48,500,000	
19	New Gaelic Primary School - Portree	Design in progress.	July 2016	April 2016	July 2017	July 2017	£8,750,000	
20	Spean Bridge - Classroom Unit	Planning approved. Awaiting PPP Approval.	TBC	TBC	TBC	TBC	£500,000	

APPENDIX 3 – ADULT AND CHILDREN’S SERVICES PROGRAMME

Unit	Project	Status
ADULT CARE SERVICES		
Care Homes, Day Centres and other premises.	Fire safety work.	Work is in various stages of progress at a number of sites.
The Mackintosh Centre, Mallaig	Improve assisted bathing facilities	Completed in October.
Invernevis House, Fort William	Major refurbishment	Snagging in progress. Awaiting final cost.
Ach an Eas, Inverness	Major refurbishment	Snagging in progress. Awaiting final cost.
The Wade Centre, Kingussie	Major refurbishment	Consultations with stakeholders taking place. Scope of work being finalised.
Nurse-call systems	Upgrades to systems in five care homes	Programme started in October. To be finished by end of January.
Strathburn House, Gairloch	Upgrade of kitchen and sluice room.	Feasibility study commissioned.
Caladh Sona, Talmine	Create sluice room.	Feasibility study commissioned.
North West Sutherland	Service provision in NW Sutherland	NHSH stakeholder consultation in progress.
The Telford Centre, Fort Augustus	Radon remediation measures	Work in progress. Awaiting final cost.
CHILDREN’S CARE SERVICES		
Unit	Project	Status
Avonlea, Wick	New children’s unit	Work complete, building occupied, awaiting final cost.
Thor House	Upgrade assisted bathroom	Out to tender.
Thor House	Create staff bedroom	To await completion of assisted bathroom.
Family Contact	Refurbish school house to create	Awaiting building

Centre, Alness	family contact centre.	warrant. Estimated cost £33k.
Early Years Centre, Gairloch	Refurbish school house to create nursery to replace existing demountable unit.	Feasibility study commissioned.
Merkinch Family Centre, Inverness	Improve security and reception facilities.	To go out to tender in late October.
Family Contact Centre, Thurso	Adapt demountable unit at Millar Academy Primary School to create family contact centre.	Feasibility study commissioned.
Applegrove, Inverness	Refurbish school house to create facility for one-to-one teaching and resource for groupwork and family contacts outwith school hours.	Preparing to go out to tender.
AVOIDING OUT-OF-AREA PLACEMENTS		
School houses at Culloden and the Black isle	Arrangements being made to transfer use of Black Isle house to the Council. Consultations taking place regarding best use of Culloden school house. Estimate to refurbish less than £20k	In progress.
Residential unit for children with autism	Provide unit on site of new high school in Inverness.	Feasibility study commissioned.
Provide semi-independent flats for young people.	Provide flats in Dingwall and Inverness to enable young people to move from residential care to more independent living.	Some work required estimated at £6k.

APPENDIX 4 - FUTURE ICT INVESTMENT

6.1 A decision not to replace any curriculum ICT devices that had been acquired in the period immediately prior to the contract commencing was taken at the inception of 12 the current managed service contract with Fujitsu. This was on the basis that these devices were relatively new and would not need to be replaced during the early years of the managed service contract when devices in all other schools were to be replaced. The schools affected by this decision are listed in **Appendix 5**. This appendix also provides details of the number of devices in each of these schools connected to the network and supported throughout the period of the managed service contract. These devices are now, on average, between 6 and 7 years old, and there is evidence that their operating performance is deteriorating. For this reason it is important to consider replacing these devices within the near future.

6.2 To ensure consistency with the device/pupil ratio in all other schools it is important that the number of devices in each of the schools outlined in the Appendix is realigned on the following basis:

- The Secondary Schools - the allocation of new devices is equivalent to 1 device for every 2.5 pupils. In addition a computer suite of devices (21 devices) would be provided for each school;
- The Primary Schools – the allocation of new devices is equivalent to 1 device for every 5.0 pupils. In addition, an allocation of 1 device per school would be allocated.

APPENDIX 5

SCHOOL	Number of devices connected to the network and supported during contract period Feb 2011 resources report	Current School Roll	Revised ratios	Change in the number of devices per school
Abernethy	14	60	13	-1
Achfary	3	0	1	-2
Applecross	5	8	3	-2
Ardersier	27	99	21	-6
Ardgour	8	19	5	-3
Ardross	10	36	8	-2
Auchtertyre	16	75	16	0
Badcaul	6	16	4	-2
Ballachulish	9	74	16	7
Balnain	16	31	7	-9
Cannich Bridge	13	49	11	-2
Carbost	5	32	7	2
Coulhill	42	204	42	0
Craighill	43	246	50	7
Crossroads	8	30	7	-1
Deshar	13	30	7	-6
Dochgarroch	12	21	5	-7
Duncan Forbes	55	237	48	-7
Dunvegan	15	53	12	-3
Durness	10	16	4	-6
Edinbane	7	6	2	-5
Eigg	6	6	2	-4
Elgol	2	18	5	3
Farr-Sutherland	9	19	5	-4
Foyers	7	12	3	-4
Gergask	8	21	5	-3
Glenelg	10	24	6	-4
Glenurquhart	33	132	27	-6
Inverie	5	7	2	-3
Kilmuir	8	39	9	1
Kinbrace	3	0	1	-2
Kinlochbervie	16	48	11	-5
Knockbreck - SL	5	3	2	-3
Kyleakin	5	19	5	0
Lairg	19	34	8	-11
Loch Duich	6	13	4	-2
Lochinver	8	38	9	1
Lochyside RC	20	79	17	-3

Macdiarmid	9	52	11	2
Melvich	5	29	7	2
Miller	42	204	42	0
Muck	6	6	2	-4
Plockton	14	21	5	-9
Poolewe	8	29	7	-1
Pulteneytown	37	221	45	8
Raasay	5	10	3	-2
Raigmore	34	205	42	8
Reay	14	40	9	-5
Rogart	7	17	4	-3
Rosehall	3	12	3	0
Roybridge	4	18	5	1
Rum	5	2	1	-4
Scourie	8	5	2	-6
Shieldaig	4	14	4	0
Staffin	17	18	5	-12
Stoer	7	2	1	-6
Strathconon	4	16	4	0
Strathgarve	5	37	8	3
Strathpeffer	26	159	33	7
Struan	7	7	2	-5
Tarbat Old	10	14	4	-6
Teanassie	14	48	11	-3
Torridon	3	0	1	-2
Uig	5	0	1	-4
Ullapool	36	127	26	-10
Watten	8	63	14	6
Dingwall Academy	647	1114	467	-180
Millburn Academy	621	1156	483	-138
Kinlochleven HS	108	144	79	-29
Portree HS	386	542	238	-148
Drummond	53	90	53	0
TOTAL	2,669		2,032	-637