THE HIGHLAND COUNCIL

Committee: **Care, Learning and Housing Committee**

Date: **10 October 2019**

Report Title: **Care and Learning Capital - Early Learning and Childcare Programme**

Report By: **Chief Executive and Director of Development and Infrastructure**

1.   Purpose/Executive Summary

1.1   This report updates Members on the status of the capital investment element of the Early Learning and Childcare delivery programme along with the risk management measures that are being taken forward.

2.   Recommendations

2.1   Members are asked to:

     i.   Note the current status of the individual projects in the capital programme.

     ii.   Note the approach that has been adopted in order to identify and manage the risks associated with those projects that have been classed as high priority, and/or high-risk in terms of being able to deliver the expanded ELC service from August 2020 onwards.

3.   Implications

3.1   **Resource:** As set out in this report and appendix.

3.2   **Legal:** No specific implications are highlighted.

3.3   **Community (Equality, Poverty, Rural and Island):** The programme includes capital investment in schools across all areas of Highland to ensure equity of provision.

3.4   **Climate Change/Carbon Clever:** All projects are designed to ensure that energy use and greenhouse gas emissions are both minimised.

3.5   **Risk:** The report advises on the approach that has been adopted with regard to managing the risks associated with the delivery of the capital investment programme.

3.6   **Gaelic:** The report updates on progress on capital investment in Council settings that will deliver an expanded Gaelic Medium ELC service from August 2020.

4.   Background

4.1   The Council approved a report in June 2019 that set out the proposed distribution of funding from the Scottish Government (SG) capital allocation for the Early Learning and Childcare (ELC) expansion programme, along with projects to be funded from the generic school capital budgets in the 5-year capital programme that will both support the ELC programme and deliver essential school building improvements over the same timeframe.

4.2   The proposals in the report sought to achieve the following outcomes.

- Ensure the best use of the ELC funding allocation to both meet the deadline of August 2020 for the expanded provision, and to contribute to improvements across the school estate.
- Target the allocation of funding from the Council's capital programme to maximise the benefits of the combined investment, and deliver essential school improvements that address the most immediate requirements and concerns.
- Achieve significant improvements in 3 of our poorest schools (Beauly, Dunvegan and Kiltearn Primary Schools) in terms of condition and suitability, by the innovative use of the available funding streams, and achieve these positive outcomes much earlier than would otherwise have been possible.
- As a result of this combined investment approach, a substantial number of schools will see an improvement in overall ratings for both Condition and Suitability from "C" to "B".

5.   Current Position and Contingency Planning

5.1   To date, 18 capital projects have been completed and construction work is underway on site on a further 13 projects. Progress is reported quarterly to the Scottish Futures Trust (SFT) who in turn report to the SG, and there is regular contact between Council and SFT officials. It should be noted that the capital works at the 3 settings referred to in 4.2 (Beauly, Dunvegan and Kiltearn), along with the new school at Ness Castle in Inverness, are programmed for completion by August 2021.

5.2   The potential operating models to be adopted in Council settings have been considered and the proposed options are set out below.

- 30 hours per week for 38 school term weeks (1,140 hours per annum).
- 30 hours per week for 50 weeks (1,500 hours per annum).
- 50 hours per week for 38 weeks (1,900 hours per annum).
- 50 hours per week for 50 weeks (2,500 hours per annum).
- Where there is more than one room in a setting, then individual rooms may adopt separate operating models, subject to demand.

5.3   The Council had a review and scrutiny session supported by the Improvement Service

in July, which included a supply and demand analysis that identified 21 high priority settings. The term "high priority" in this context refers to those settings where, in the event of the capital works not being completed by August 2020, the additional capacity required to deliver the expanded service could not be generated solely by a change in the operating model, even for an interim period. These settings were referred to at the August Committee and it was agreed that ongoing updates regarding this capital programme would continue to be reported to Committee. Appendix 1 identifies those settings that have been categorised as high priority. Of the 21 settings shown as high priority, there are 14 which are classified as red or amber in terms of the risk assessment referred to below.

5.4   Appendix 1 also applies a colour coding system of 6 risk categories to reflect the current status of each of the capital projects. This categorisation approach will allow high priority projects to be prioritised, ensure that high-risk projects are identified at an early stage and for corrective action to be implemented, and for alternative service delivery options to be put in place for August 2020 as an interim measure where necessary. In summary, the current risk categorisation of all 84 ELC projects is as follows:

Blue	Work completed	18
Green	Work underway on site	13
Yellow	Project progressing and on schedule	24
Amber	Possible risk of delay	23
Red	Probable risk of delay	2
Purple	Part of a major project – August 2021 completion	4
		84

5.5   The delivery of the ELC capital investment programme is extremely challenging given the relatively late approval of the final programme in June 2019, and it is likely that not all of the projects will be completed by August 2020. As well as the measures outlined in 5.3 and 5.4, an exercise has been carried out to identify the nature of the contingency plans that could be implemented at each of the settings that are classed as either "Yellow", "Amber" or "Red".

5.6   For these settings, the full range of potential contingency plans has been considered, and options refined to best reflect appropriate solutions for that setting. Any contingency arrangement would be for an interim period, and would have some implications which will need further discussion with staff, parents and other stakeholders. Interim arrangements, while still having to be compliant with Care Inspectorate requirements, may represent a lower quality environment than the Council would be looking to deliver as part of ELC expansion. Other factors to be considered include staffing implications and any impact on operating costs from contingency plans, how changes to operating times fit with parental demand and expectations, and the need for appropriate engagement with parents on that subject, and finally considering transitional arrangements to and from the contingency plans.

5.7 Some of the contingency plans may involve an increase in operational hours by adopting an alternative model. Other potential measures that have been identified are as follows.

- Remain in current accommodation, possibly with minor adaptations.
- Temporary use of other accommodation or outdoor space on the school campus.
- Use of community halls or other accommodation.
- Transport to nearby Council settings.
- Bringing temporary modular accommodation on site – this would be classed as a last resort due to the additional cost incurred.

5.8 The internal resource implications associated with delivering this Early Learning and Childcare Programme capital programme, along with the other projects in the Council's capital programme that are underway, have been assessed and proposals are being taken forward.

5.9 A commitment was previously given to update Members on progress with the capital projects at Ward level. These reports have not yet been initiated but it is proposed that regular updates will be provided from this point onwards.

6. Summary

6.1 This report highlights progress across the 84 settings where ELC capital investment is taking place, and highlights the status and risk of each, and the mitigating action and contingency plan options being progressed for those higher risk settings.

6.2 While the ELC expansion programme is considerable in size and challenging in terms of delivery by August 2020, risk is being actively managed and contingency arrangements identified for those settings considered at risk. Further progress reports will come back to this Committee.

Designation: Chief Executive

Date: 1 October 2019

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Background Papers:

APPENDIX 1 - HIGH PRIORITY PROJECTS/RISK CATEGORISATION - PAGE 1

	School Name	High Priority Y/N?	Rating		School Name	High Priority Y/N?	Rating
1	Acharacle Primary School		Blue	22	Croy Primary School		Yellow
2	Ardersier Primary School		Amber	23	Dalneigh Primary School		Green
3	Ardgour Primary School		Amber	24	Deshar Primary School		Green
4	Arisaig Primary School	Yes	Red	25	Dingwall Primary School		Amber
5	Auchtertyre Primary School		Blue	26	Dornoch Primary School		Blue
6	Auldearn Primary School	Yes	Amber	27	Drakies Primary School		Blue
7	Avoch Primary School	Yes	Yellow	28	Dunbeath Primary School		Blue
8	Balloch Primary School		Yellow	29	Duncan Forbes Primary School	Yes	Yellow
9	Beauly Primary School		Purple	30	Dunvegan Primary School		Purple
10	Ben Wyvis Primary School		Amber	31	Durness Primary School		Yellow
11	Bonar Bridge Primary School		Blue	32	Farr Primary School (Bettyhill)		Blue
12	Bridgend Primary School		Yellow	33	Gairloch Primary School	Yes	Amber
13	Broadford Primary School		Green	34	Glenurquhart Primary School		Yellow
14	Bun-sgoil Ghàidhlig Inbhir Nis		Green	35	Golspie Primary School		Yellow
15	Bun-sgoil Ghàidhlig Phort Righ		Blue	36	Grantown Primary School		Amber
16	Bun-Sgoil Shlèite	Yes	Amber	37	Hill of Fearn Primary School		Blue
17	Cauldeen Primary School		Blue	38	Hilton of Cadboll Primary School		Green
18	Central Primary School		Yellow	39	Hilton Primary School		Amber
19	Coulhill Primary School		Yellow	40	Invergarry Primary School		Yellow
20	Cromarty Primary School		Yellow	41	Inverlochy Primary School		Blue
21	Crown Primary School	Yes	Amber	42	Keiss Primary School		Green

	APPENDIX 1 - HIGH PRIORITY PROJECTS/RISK CATEGORISATION - PAGE 2						
	School Name	**High Priority Y/N?**	**Rating**		**School Name**	**High Priority Y/N?**	**Rating**
43	Kilchoan Primary School		Yellow	64	Newtonmore Primary School	Yes	Amber
44	Kiltearn Primary School		Purple	65	North Kessock Primary School	Yes	Amber
45	Kinmylies Primary School		Amber	66	Noss Primary School		Blue
46	Kirkhill Primary School		Amber	67	Obsdale Primary School	Yes	Yellow
47	Kyle Primary School	Yes	Amber	68	Pennyland Primary School	Yes	Yellow
48	Lairg Primary School		Yellow	69	Portree Primary School		Green
49	Lochaline Primary School		Yellow	70	Raigmore Primary School	Yes	Yellow
50	Lochcarron Primary School	Yes	Amber	71	Reay Primary School	Yes	Amber
51	Lybster Primary School		Blue	72	Rosebank Primary School	Yes	Amber
52	Mallaig Primary School	Yes	Yellow	73	Scoraig Primary School		Blue
53	Marybank Primary School		Blue	74	Shieldaig Primary School		Yellow
54	Melvich Primary School		Blue	75	Smithton Primary School		Green
55	Merkinch Primary School		Green	76	South Lodge Primary School		Blue
56	Millbank Primary School		Amber	77	St Joseph's RC Primary School		Yellow
57	Miller Academy Primary School	Yes	Amber	78	Strathconon Primary School		Yellow
58	Milton of Leys Primary School		Red	79	Stratherrick Primary School		Blue
59	Mount Pleasant Primary School		Yellow	80	Strathpeffer Primary School	Yes	Amber
60	Muirtown Primary School		Amber	81	Tarradale Primary School		Green
61	Mulbuie Primary School	Yes	Yellow	82	Tomnacross Primary School		Green
62	Ness Castle		Purple	83	Tongue Primary School		Green
63	Newton Park Primary School	Yes	Amber	84	Ullapool Primary School		Green