

Agenda Item	<b>4</b>
Report No	<b>RES/24/20</b>

**Committee:** Corporate Resources Committee

**Date:** 11<sup>th</sup> November 2020

**Report Title:** Corporate Capital Monitoring to 30<sup>th</sup> September 2020

**Report By:** Executive Chief Officer – Resources and Finance

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

- 1.1 This report provides Members with details of capital spend in the first two quarters of financial year 2020/21. Due to the impacts of the coronavirus and lockdown in the early part of the financial year actual spend to date is considerably less than would otherwise have been expected.
- 1.2 Overall capital spend in the first two quarters of the year totalled £24.840m. This spend to date has been more than offset by specific project income received of £34.749m. Net capital spend for the first two quarters of the capital year is therefore -£9.909m.
- 1.3 Construction work resumed on suspended projects from mid-June onwards in a phased manner in line with the Scottish Government and construction industry guidance. An assessment of all live projects has been undertaken to establish the programme implications and to identify the estimated additional project costs arising as a result of Covid. Additional costs are arising due to the suspension of work, additional measures necessary to allow resumption and the subsequent reduced productivity as work progresses.
- 1.4 As well as the impact on live construction projects, there are potential additional costs for projects at design or tender stage due to the additional site measures that will be required, potential supply chain problems, and associated inflationary and market pressures.
- 1.5 Members have agreed to the progression of a number of projects to the contractual commitment stage over recent Council meetings. The costs of these projects are summarised in this report and reflect expected Covid impacts.
- 1.6 A report will be brought to the December Council that brings together all of these associated factors and will provide a reprofiled version of the current capital programme showing revised costs and timescales from bringing all programmed projects to completion.

## 2. **Recommendations**

- 2.1 Members are asked to:
- i) Note the contents of this report

## 3. **Implications**

- 3.1 Resource- As outlined in this report the impact of Covid on the capital programme is expected to lead to increased costs and extended programme timescales. The slippage in delivery timescales for the current programme could mitigate the cost impact over the programme period but will result in cost slipping into 2023/24 and beyond, and limiting capacity for investment in new capital projects from that point onwards.

In the current financial year capital spend is expected to be lower than budgeted and therefore a lower amount of borrowing is likely to be required to finance that investment. This may help mitigate the lower than budgeted level of capital grant that forms part of the capital financial settlement for the current year.

- 3.2 Risk- The impact of potential further lockdowns provides a significant additional risk to the delivery of the current programme. As with the first lockdown those impacts will be on project cost and timescales.
- 3.3 There are no specific Legal Community (Equality, Poverty, Rural and Island), Climate Change / Carbon Clever or Gaelic implications arising directly as a result of this report.

## 4. **2020/21 spend to date**

- 4.1 **Appendix 1** provides details, by project, of current year budgets and spend to date. At this stage no forecast year end position is provided as the full impact of Covid on current year spend is determined.
- 4.2 The figures provided reflect the net project expenditure, i.e. projects costs incurred less project specific income received. Overall there has been a net income to the Council of £9.909m in the first two quarters of the year. This reflects the fact that project income has been received but that there have been delays in incurring costs.
- 4.3 Overall project expenditure of £24.840m has been incurred in the year to date. This is more than offset by project-specific income of £34.749m which has been received.
- 4.4 Of the project income received the largest element relates to early years funding. Other funding streams relate to active travel, timber transport, European funding, City-Region deal funding, town centre funding, regeneration funding and vacant and derelict land funding. These funding streams will be offset against specific project costs as they are incurred and will be carried forward into financial year 2021/22 if not fully spent in the current year.

## 5. **Approval for contractual commitment to projects**

- 5.1 Since the emergence of the coronavirus pandemic the Council has introduced a number of budget controls which are intended to ensure that all expenditure is deemed essential to the ongoing operations of the Council.

- 5.2 On the capital side the key control brought into place is that all projects are brought to meetings of the full Council prior to any contract awards taking place.
- 5.3 At the Council meeting on the 25<sup>th</sup> June Members gave their approval for £13.634m of general fund projects to continue to the contractual commitment stage. Details of those projects can be found at **Appendix 2**. It is expected that the vast majority of that spend will occur in the current financial year.
- 5.4 On the 1<sup>st</sup> October Members gave approval for the progression of a further £33.571m of capital projects, with the profile of this expenditure expected to be split over the current financial year (£20.363m) and next year (£13.208m). Details of these projects can be seen in **Appendix 3**.
- 5.5 On the 1<sup>st</sup> October a report was also taken to the Highland Council on the Learning Estate Improvement Programme (LEIP) and Capital Priorities. At that meeting Members agreed to the continued development of the Tain 3-18 campus as the Council's phase 1 project under the LEIP and the submission of bids for Broadford Primary (as first priority) and then Nairn Academy to the second phase of the LEIP. Members also agreed to progress reinstatement works following the fire at Park Primary school and reaffirm their commitment to a replacement care facility to serve the Sutherland north coast area. All of these projects are likely to incur financial costs in the current year as work on the projects develops. Commitment to the projects means committing capital funding beyond the extent of the current programme.
- 5.6 Finally, on the 29<sup>th</sup> October Members gave approval for the progression of £34.706m of capital projects with that spend split over this and next financial year. Much of this work relates to schools projects encompassing early years works with £18.182m of specific funding attributable to these projects. Details of all the projects can be seen in **Appendix 4**.

## **6. Programme update to December Council**

- 6.1 As part of the capital report that was provided to the Council meeting on the 29<sup>th</sup> October Members were provided with information on the Scottish Government's Draft Infrastructure Investment Plan along with information about the development of Highland Council's Capital Strategy.
- 6.2 The next steps in the development process of the Council's capital strategy will be to provide a full update of the current capital programme to Council on the 17<sup>th</sup> December. This will include:
- Updated lifecycle costs of all programmed projects to reflect Covid and other cost increases;
  - Revised timescales for project delivery;
  - Forecasts of future project spend by year (cashflow model);
  - Narrative updates on project progress;
  - Inclusion of all projects approved subsequent to the capital programme being set in March 2018
- 6.3 The updated capital programme will allow the potential implications on the loans fund revenue budget to be assessed, albeit this will require assumptions to be made around the level of general capital grant funding receivable from government. Understanding of the impact on the revenue budget will allow decisions to be taken on further capital investment as part of the 2021/22 and beyond revenue budget.

6.4 A number of updates on specific Education and Learning projects are provided to Members in advance of the December meeting, these can be seen at **Appendix 5**.

Designation: Executive Chief Officer- Resources and Finance

Date: 2<sup>nd</sup> November 2020

Author: Edward Foster, Head of Corporate Finance

Background Papers:

[https://www.highland.gov.uk/download/meetings/id/76701/item\\_6\\_annual\\_accounts\\_201920\\_and\\_revenue\\_budget\\_202021](https://www.highland.gov.uk/download/meetings/id/76701/item_6_annual_accounts_201920_and_revenue_budget_202021)

[https://www.highland.gov.uk/download/meetings/id/77128/item\\_4\\_revenue\\_budget\\_update\\_report-october\\_2020](https://www.highland.gov.uk/download/meetings/id/77128/item_4_revenue_budget_update_report-october_2020)

[https://www.highland.gov.uk/download/meetings/id/77129/item\\_5\\_learning\\_estate\\_improvement\\_programme\\_and\\_capital\\_priorities](https://www.highland.gov.uk/download/meetings/id/77129/item_5_learning_estate_improvement_programme_and_capital_priorities)

[https://www.highland.gov.uk/download/meetings/id/77202/item\\_12\\_highland\\_council\\_capital\\_plan\\_201819\\_to\\_202223\\_%E2%80%93\\_update\\_report](https://www.highland.gov.uk/download/meetings/id/77202/item_12_highland_council_capital_plan_201819_to_202223_%E2%80%93_update_report)

[https://www.highland.gov.uk/download/meetings/id/77202/item\\_12\\_highland\\_council\\_capital\\_plan\\_201819\\_to\\_202223\\_%E2%80%93\\_update\\_report](https://www.highland.gov.uk/download/meetings/id/77202/item_12_highland_council_capital_plan_201819_to_202223_%E2%80%93_update_report)

## MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2020 TO 30TH SEPTEMBER 2020

## SERVICE: GENERAL FUND

Project Description	2020/21 Approved Budget	2020/21 Actual Expenditure	2020/21 Actual Income	Actual Net Year to Date
	£000	£000	£000	£000
<b>COMMUNITY AND LEISURE FACILITIES</b>				
Community and Leisure Facilities	382	104	(82)	22
<b>SCHOOLS</b>				
<b>Secondary School Programme</b>				
Alness Academy	4,500	3,178	0	3,178
Charleston Academy	2,500	107	0	107
Cullochen Academy	2,500	37	0	37
Inverness High School	3,000	791	0	791
Inverness Royal Academy	0	431	0	431
Wick Community Campus	0	20	0	20
Tain 3 to 18 Campus	0	123	0	123
Lochaber Flood Damage	0	311	0	311
Legacy Projects	250	20	0	20
<b>Primary School Programme</b>				
Merkinch Primary	4,500	1,209	0	1,209
Milton of Leys Primary	150	8	0	8
Smithton Primary	0	35	0	35
Ness Castle Primary	6,695	225	0	225
Strontian Primary				
Park Fire Reinstatement	0	154	0	154
Legacy Projects	0	159	0	159
<b>School Estate Management</b>				
Early Learning and Childcare	0	2,250	(25,587)	(23,337)
Free School Meals	250	34	0	34
Modular Units	1,030	131	0	131
School Estate Improvement Programme	10,000	302	0	302
Learning Estate Investment Programme	0	13	0	13
<b>HEALTH &amp; SOCIAL CARE PROGRAMME</b>				
Adult Services (NHS)	1,250	138	0	138
Children's Services/Out of Authority	900	506	0	506
<b>ICT</b>				
ICT Transformation	152	(417)	0	(417)
<b>ROADS AND BRIDGES</b>				
<b>Structural Road Works</b>				
Road Structural Capital Works	4,550	301	(30)	271
Road Surface Dressing Capital	1,500	120	0	120
Bridges, Retaining Walls & Culverts	650	55	0	55
<b>Area Minor Capital Works</b>				
Timber Extraction	500	251	(208)	43
<b>Major Road Improvements</b>				
The Inverness West Link	5,092	1,858	(2)	1,856
Inshes Roundabout	206	23	0	23
Development Infrastructure, Dingwall	364	15	0	15
B851/B862 South Loch Ness Road Improvements	206	64	(3)	61
Stromeferry Rockface	515	38	0	38
<b>Minor Road Improvements</b>				
Crask Junction	0	2	0	2
Other Minor Schemes	0	4	0	4
<b>Major Bridge Works</b>				
B863 Invercoe Bridge, Lochaber	2,987	112	0	112
A862 Muir of Ord Railway Bridge	0	2	0	2
B9090 White Bridge	21	12	0	12
Dulsie Bridge	11	0	0	0
Naver Bridge	0	20	0	20
<b>Lifeline Bridges</b>				
B8007 Glenmore Bridge - Lifeline Bridges	55	9	0	9
A884 Acharn Bridge - Lifeline Bridges			0	
A884 Achnagavin Bridge - Lifeline Bridges			0	
A831 Comar Refurbishment - Lifeline Bridges	22	0	0	0
<b>ACTIVE TRAVEL</b>				
Car Parking - Portree	0	152	0	152
Car Parking - Fort Augustus	0	4	0	4
Car Parking - Storr	0	111	(180)	(69)
Car Parking - Inverness Lorry Park	0	5	0	5
Cycling, Walking & Safer Streets	0	136	(24)	112
20mph Zones	0	10	(7)	3
Traffic Management Improvements	0	124	0	124
Community Links PLUS	3,215	143	(339)	(196)
Bus Priority Rapid Development Fund	0	2	0	2
Spaces for People	0	552	(61)	491
<b>LIGHTING</b>				
Structural Lighting Works	2,575	278	0	278

<b>FLOOD PREVENTION</b>				
<b>Flood Prevention Schemes</b>				
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	0	7	0	7
Smithton / Culloden Flood Alleviation	48	397	0	397
<b>Major Flood Schemes</b>				
River Enrick FPW / NFMS	2,163	104	0	104
Caol FPW	2,266	330	(2)	328
Mill Burn FPS	237	0	0	0
Conon Bridge Flood Defence Improvements	0	26	0	26
River Gynack FPS / NFMS	192	17	0	17
River Peffery - FPS / NFMS	0	8	0	8
River Nairn & Auldearn Burn FPS	151	0	0	0
Kirkhill Watercourse Diversion	0	1	0	1
Risk Management Plans	155	110	0	110
Flood Improvement Works Knockbain Burn, Dingwall	0	0	0	0
Inverness SWMP/ICS	27	17	0	17
Newtonmore SWMP	0	4	0	4
Dingwall SWMP	27	8	0	8
Halkirk SWMP	0	6	0	6
Fort William SWMP	27	11	0	11
Corpach SWMP	27	5	0	5
<b>WASTE MANAGEMENT</b>				
<b>Landfill Extensions</b>				
<b>Landfill Restorations</b>				
Landfill Restoration Programme	1,278	26	0	26
<b>Waste Management Strategy</b>				
Residual Waste Management Facility	1,030	194	0	194
Plant, Infrastructure & Banks	1,030	15	0	15
<b>FERRIES AND HARBOURS</b>				
Uig Ferry Terminal and Link Span	5,760	205	0	205
Harbours General Structural Works	274	0	(31)	(31)
<b>COMMUNITY WORKS</b>				
<b>Burials and Cremations</b>				
Burial Ground Extension - General	0	1	0	1
Burial Ground Kilmorack	0	4	0	4
Burial Ground Glen Nevis	0	1	0	1
Burial Ground Dores	0	2	0	2
Burial Ground Kilvean	0	46	0	46
Burial Ground Alness	0	14	0	14
Burial Ground Dornoch	0	12	0	12
Inverness Crematorium	0	1	0	1
War Memorials	0	0	0	0
<b>LEISURE FACILITIES</b>				
<b>Parks and Play Areas - Development</b>				
Inshes Park (Phases 1 to 3)	178	20	0	20
Play Areas	0	9	(16)	(7)
<b>STRATEGIC ASSET MANAGEMENT</b>				
Health & Safety	0	105	0	105
Engineering Compliance	874	125	0	125
Catering & FM Compliance	273	176	0	176
Property Structures and Fabric	1,858	97	0	97
Property Security	382	22	0	22
Water Management	219	65	0	65
Fire Safety	382	432	0	432
Asbestos Removal	76	1	0	1
Energy Management	1,310	85	0	85
Rose Street Car Park Solar PVs	0	1	0	1
Depots - Health & Safety	109	23	0	23
<b>Office Rationalisation</b>	765	31	0	31
<b>VEHICLES &amp; PLANT</b>				
Vehicle & Plant Purchases	2,060	1,190	(48)	1,142
<b>PLANNING &amp; DEVELOPMENT</b>				
<b>Town &amp; Countryside Regeneration</b>	186	0	0	0
Storr Car Park	0	77	0	77
Nairn High Street	0	32	0	32
Fairy Pools (Glen Brittle)	0	0	0	0
Inverness Townscape Heritage	0	0	(315)	(315)
Approaching Inverness	0	1	0	1
<b>Visitor Management</b>				
Storr Visitor Management	0	92	0	92
<b>Misc Assets, Bridges &amp; Structures</b>				
Assets, Bridges & Structures	0	3	0	3
Ellen Wood Footpath, Carrbridge	0	15	0	15
<b>Green Networks, Core Paths &amp; Long Distance Routes</b>				
Green Infrastructure	0	3	(2)	1
Long Distance Routes	0	1	0	1
<b>Other Grant Funded Schemes</b>				
Vacant & Derelict Land Fund and Regeneration Fund	0	1,214	(4,299)	(3,085)
Town Centre Fund	0	269	(2,761)	(2,492)
City Deal Projects	0	1,305	(750)	555
Electric Vehicle Infrastructure	0	243	66	309
Destination Development	0	0	(34)	(34)
Smart City - Digital Projects	0	59	0	59
Capital Discretionary Fund	0	33	0	33

<b>CAPITAL CONTRIBUTIONS</b>				
Inverness Justice Centre	0	93	0	93
Inverness Castle	164	0	0	0
<b>SELF FUNDING PROJECTS</b>				
Longman Campus Site	0	11	0	11
Local Full Fibre Network	0	918	0	918
27 Harbour Road Acquisition, Inverness	0	557	0	557
LED Programme for Buildings - SALIX Funded	0	624	0	624
Solar PV	0	313	(1)	312
Whin Park Hydro	0	159	0	159
<b>HOUSING (NON HRA)</b>				
Private Sector Housing Grants	1,920	592	(33)	559
Travelling People Sites	118	0	0	0
<b>OVERALL TOTAL</b>	<b>86,094</b>	<b>24,840</b>	<b>(34,749)</b>	<b>(9,909)</b>

Capital commitments made June 2020

Appendix 2

Project Name	Description of works	2020/21 spend £000
Charleston Academy	Refurbishment of PE Changing	400
Gairloch High	ASN Alterations	80
Golspie High	Installation of Lifts/ Accessibility Improvements	775
Invergarry Primary	Refurbishment Phase 2	375
Kilchoan Primary	ASN Alterations/ELC Expansion	150
Lady Lovat Primary	Demolition of Unit	50
Mallaig Primary	Nursery Alterations	50
Plockton High	Extension/Refurbishment of ASN Base	825
Stratherrick Primary	Relocation of Modular Unit	275
Tain Royal Academy	Installation of Ramps and Stair Lifts	250
Wick High	Drainage Works/Cycle and Pedestrian Path	225
<b>EDUCATION TOTAL</b>		<b>3,455</b>
Roads Structural - Overlay/Inlay		2,034
Roads Surface Dressing		1,690
Roads Bridge Maintenance (HQ/Structures)		650
Road Markings		60
Torbreck Bridge		125
Ferries and Harbours (Health and Safety Works)		380
LED Lighting Enhanced		250
Lighting Columns		100
Lighting Columns		100
Timber Extraction		420
Inverness Castle		164
<b>ECONOMY AND INFRASTRUCTURE TOTAL</b>		<b>5,973</b>
<b>Fire Safety</b>		
Abernethy Primary School	Upgrade Fire Alarm and Detection System	27
Alvie Primary School	Upgrade Fire Alarm and Detection System	13
Ardersier Primary School	Upgrade Fire Alarm and Detection System	14
Balloch Primary School	Fire Safety Work to Structure & Fabric	10
Balnain Primary School	Upgrade Fire Alarm and Detection System	10
Carrbridge Primary School	Upgrade Fire Alarm and Detection System	14
Cradlehall Primary School	Upgrade Fire Alarm and Detection System	20
Dornoch Academy & Primary	Fire Safety Work to Structure & Fabric	25
Dornoch Primary School	Upgrade Fire Alarm and Detection System	
Dunbeath Primary School	Upgrade Fire Alarm and Detection System	11
Grantown Grammar	Upgrade Fire Alarm and Detection System	75
Grantown Primary School	Upgrade Fire Alarm and Detection System	25
Keiss Primary School	Upgrade Fire Alarm and Detection System	20
Lybster Primary School	Upgrade Fire Alarm and Detection System	33
Marybank Primary School	Upgrade Fire Alarm and Detection System	
Miller Academy Primary School	Upgrade Fire Alarm and Detection System	58
Nairn Academy	Fire Safety Work to Structure & Fabric	25
Tain Royal Academy	Fire Safety Work to Structure & Fabric	25
Thurso High School	Fire Safety Work to Structure & Fabric	25
Various Sites	Future Fire Risk Assessment Works	100
<b>Water Management</b>		
Invergordon Leisure	Water Safety Upgrade Works	48
Kilmuir Primary School	Water Safety Upgrade Works	47
Mallaig Hostel	Water Safety Upgrade Works	100
Nairn Leisure Centre	Water Safety Upgrade Works	13
Highland Wide	Highland Wide - Pipework, shower heads and tap replacements	200
<b>Engineering Compliance</b>		
Charleston Academy	Gas installation upgrade works	60



Project Name	Description of works	2020/21 spend £000
Dalneigh Primary School	Upgrade of Electrical System	25
Dingwall Roads Depot and Street Lighting	Replacement of stores heating	50
Grantown Grammar Ph1	New Boilers	500
Helmsdale Primary School	Heating upgrade works. Partial replacement of heating pipework.	200
Kyle Primary School	Switchgear Upgrade	65
Miller Academy	Upgrade of Electrical System	20
Raigmore Primary School	Boiler replacement and plant room upgrade works	100
St Josephs Primary School	Boiler replacement and plant room upgrade works	120
<b>Structure and Fabric - Buildings</b>		
Arisaig Primary School	Window Replacements	25
Banavie Primary School	Pitched Metal Roof Replacements and associated works Phase 1.	50
Dalneigh Primary School	Roof Replacement and associated works	30
Dingwall Town Hall	Replacement of roof vents.	33
Dingwall Town Hall	Refurbishment and replacement of structural elements - Dry Rot	25
Glenelg Primary School	Replacement Skylights, rain screening and associated works	12
Grantown Grammar	Roof Replacements and associated works	50
Holm Primary School	Roof Refurbishment	93
Inverlochry Primary School	Window Replacements	80
Kingussie High School	Water Tank Rainscreen and associated works.	10
Lochaber High School	Roof Replacements and associated works Phase 1.	50
Lochinver Primary School	Reroofing of annex	30
Marybank Primary School	Canteen Roof Refurbishment	15
Plockton High School	Window replacement and associated works Phase 1.	50
Plockton High School - Hostel	Roof Refurbishment and associated works Phase 1. (Link Roof)	25
South Lodge Primary School	Toilet Refurbishment	40
South Lodge Primary School	Roof Replacements and associated works Phase 1.	150
Ullapool High School	Valley Gutter Replacement and associated works	20
Highland Wide Properties	Various Sites - Component Failure	250
Highland Wide - Security Improvements	Highland Wide - Security Improvements	100
<b>Facilities Management Compliance - Schools</b>		
Schools	Purchase of Access Equipment – MEWPS	60
Schools & Offices	Purchase of Pressure Washers & Window Cleaning Equipment	10
Secondary Schools	Provision of Tractors for grounds maintenance	180
Service Requirement	Purchase of Trailers	10
<b>Catering Compliance - Schools</b>		
Schools	Provision of allergen management equipment	10
Schools	Cashless catering - rollout to all primary schools	170
<b>Energy Works</b>		
Energy Works	SMART Cities Programme	300
Energy Works	Vlan & BMS essential works upgrades	200
Energy Works	LED Lighting	50
<b>HOUSING AND PROPERTY TOTAL</b>		<b>4,206</b>
<b>TOTAL EXPENDITURE</b>		<b>13,634</b>

Project Name	Description of works	2020/21 commitment	Future Years' commitments
Learning Estate Improvement Programme	Future Priorities	150	
<b>Other Projects</b>			
Farr High	Replacement of Modular Unit	350	
Lochaber High	Flood Damage Reinstatement	1,000	
Park Primary	Fire Reinstatement Phase 1	1,000	
<b>ELC and School Estate Improvement Programme</b>			
Ardersier Primary	ELC/Roll Pressure	625	
Auldearn Primary	ELC/Roll Pressure	1,250	
Avoch Primary	ELC/Roll Pressure	1,450	
Duncan Forbes Primary	ELC/Roll Pressure	1,500	
Glenurquhart Primary	ELC/Roll Pressure	475	
Kirkhill Primary	ELC/Roll Pressure	625	
Lochcarron Primary	ELC/Condition	800	
Mulbuie Primary	ELC/Condition	400	
Newtonmore Primary	ELC/Roll Pressure	750	
Obsdale Primary	ELC/Roll Pressure	900	
Strathpeffer Primary	ELC	125	
<b>EDUCATION TOTAL</b>		<b>11,400</b>	<b>-</b>
Roads Structural - Overlay/Inlay		1,100	
Roads Surface Dressing		745	
Roads Structural Integrity Improvements		30	
Stromeferry Rockface		515	
South Loch Ness		360	
Invercoe Bridge		1,000	2,845
Glenmore Bridge		55	820
Torbreck Bridge		334	
20mph Zones		22	
Inshes Roundabout		50	
LED Lighting Enhanced		1,000	
Lighting Columns		250	
Caol Flood Prevention Scheme		250	7,207
Drumnadrochit Flood Prevention Scheme		250	2,336
Conon Bridge Flood Scheme		575	
<b>ECONOMY AND INFRASTRUCTURE TOTAL</b>		<b>6,536</b>	<b>13,208</b>
<b>Waste Infrastructure</b>			
Waste disposal and recycling	Part of the waste infrastructure replacement programme	150	

Project Name	Description of works	2020/21 commitment	Future Years' commitments
Waste disposal	Compactors required to ensure saving achieved	114	
Refuse collection and recycling	6 refuse collection vehicles	896	
<b>COMMUNITIES AND PLACE TOTAL</b>		<b>1,160</b>	<b>-</b>
<b>Fire Safety</b>			
Bridgend Primary School	Fire Safety Work to Structure & Fabric	100	
<b>Engineering Compliance</b>			
Helmsdale Primary School	Upgrade of Electrical System	25	
Tarradale Primary School	Boiler replacement	100	
Various buildings	Underground Heating Pipework	200	
<b>Asbestos Removal</b>			
Charleston Academy	Asbestos Removals	10	
Fortrose Academy	Asbestos Removals	20	
Nairn Academy	Asbestos Removals	10	
Highland Wide Various Asbestos Removals Works	Asbestos Removals: Programme	20	
Highland Wide Properties	Asbestos Cement Roofs	20	
<b>Structure and Fabric - Buildings</b>			
Tarradale Primary School	Roof Replacements and associated works Phase 2	80	
<b>Property Security</b>			
Kingussie High School	Security works advised by Police Scotland	80	
Lochaber High School	Security works advised by Police Scotland	80	
Nairn Academy	Security works advised by Police Scotland	40	
Highland Council Headquarters	Security works	40	
Highland Wide - Security Improvements	Highland Wide - Security Improvements	100	
<b>Facilities Management Compliance - Schools</b>			
Nairn Academy & Charles Kennedy Building	Provide Storage Containers	9	
Schools & Offices	Purchase of Winter Gritting Equipment & Accessories	8	
<b>Catering Compliance - Schools</b>			
Kingussie High School	Installation of extraction canopy and essential roof repairs	50	
Duncan Forbes Primary School	Upgrade kitchen, including extraction canopy	75	
<b>Property Asset Management</b>			
Property Rationalisation	Property Rationalisation Projects	200	
<b>HOUSING AND PROPERTY TOTAL</b>		<b>1,267</b>	<b>-</b>
<b>TOTAL</b>			
		<b>20,363</b>	<b>13,208</b>

Project Name	Category	Total Project Cost
<b>Early Learning and Childcare and School Estate Improvement Programme</b>		
<b>"Critical" Projects</b>		
Arisaig Primary	ELC Expansion	500
Bun-Sgoil Shlèite	ELC Expansion/Condition	950
Crown Primary	ELC Expansion	750
Gairloch Primary	ELC Expansion/Condition/Suitability	1,000
Kyle Primary	ELC Expansion/Condition	725
Miller Academy Primary	ELC Expansion/Condition	1,300
North Kessock Primary	ELC Expansion/Roll Pressure	1,150
Pennyland Primary	ELC Expansion	250
Raigmore Primary	ELC Expansion	875
Reay Primary	ELC Expansion	400
<b>Other Essential Projects</b>		
Ardgour Primary	ELC Expansion	23,147
Balloch Primary	ELC Suitability	
Beauly Primary	ELC Expansion/Condition	
Ben Wyvis Primary	ELC Expansion/Roll Pressure	
Bridgend Primary	ELC Expansion/Roll Pressure	
Central Primary	ELC Suitability	
Coulhill Primary	ELC Expansion/Roll Pressure	
Cromarty Primary	ELC Suitability	
Dingwall Primary	ELC Expansion/Condition	
Dunvegan Primary	ELC Expansion/Condition	
Glenurquhart Primary	ELC Expansion	
Grantown Primary	ELC/Free School Meals	
Hilton Primary	ELC Expansion	
Kiltearn Primary	ELC Expansion/Roll Pressure	
Kinmylies Primary	ELC Expansion/Roll Pressure	
Lairg Primary	ELC Suitability	
Millbank Primary	ELC Suitability	
Mount Pleasant Primary	ELC Suitability	
Muirtown Primary	ELC Expansion/Condition	
Newton Park Primary	ELC Suitability	
Shieldaig Primary	ELC Expansion/Condition	
St Joseph's Primary	ELC Suitability	
Strathconon Primary	ELC Expansion/Condition	
<b>Sub-Totals</b>		<b>31,047</b>
<b>Less SG Capital Allocation that funds Early Years element of projects</b>		<b>-18,182</b>
<b>Total HC funded element</b>		<b>12,865</b>

Project Name	Category	Total Project Cost
--------------	----------	--------------------

School Estate Improvement Programme (HC Funding Only)		
Bun-sgoil Ghàidhlig Loch Abar	Roll Pressure	550
<b>Sub-Totals</b>		<b>550</b>

Property Capital		
Energy Saving Works	LED Lighting - Phase 2 (Various Properties)	150
Property Condition	Condition Surveys	750
<b>Sub-Total</b>		<b>900</b>

Flood Protection		
Knockbain Burn, Dingwall	Coarse debris screen and screen improvements	250
<b>Sub-Totals</b>		<b>250</b>

Vehicles and Plant		
Roads vehicles	Ordering of 13 roads vehicles for delivery pre-winter 2021. Approx. 9 month lead-in time	1,659
<b>Sub-Totals</b>		<b>1,659</b>

Corran Ferry (not in current capital programme)		
MV Maid of Glencoul	Steering system replacement	250
Ardgour Slipway	Urgent improvement works	50
<b>Sub-Totals</b>		<b>300</b>

<b>GRAND TOTAL- NET HC FUNDING</b>	<b>16,524</b>
------------------------------------	---------------

## Appendix 5: Capital Update – School Projects

### A. Introduction

A.1 This appendix covers the following.

- **Major Projects:** 8 major projects were included in the revised 5-year capital programme approved in March 2018. Smithton Primary School has been completed and an update on the 7 other projects is provided in Sections B and C.
- **Early Learning and Childcare (ELC)/School Estate Improvement Programme:** A combined investment programme was approved by Council in June 2019. Reports to the Council meeting in June 2020 and the two meetings in October brought back most of the planned capital contractual commitments for further sign off, particularly in relation to the ELC programme. It is proposed that details of all the remaining capital projects will be included in the report to Council in December. An overall summary of progress to date is provided in Section D.
- **Other Matters:** Section E sets out potential approaches to address the deteriorating condition of dilapidated modular units in some schools, and to examine the use of the Passivhaus design approach on several pilot projects. It is proposed that further details of both initiatives will be reported to the meeting of the Council in December.

### B. Major Projects – Legally Committed

B.1 **Alness Academy:** The new building is now operational and the second phase of the project, including the demolition of the current buildings and the formation of the playing fields, is programmed to be complete by October 2021.

B.2 **Inverness High School:** All internal construction work was due to be completed by the start of the new session in August. Work was suspended in March, approximately 22 weeks before the programmed completion date. The original programme had been based on increased activity taking place during the summer holiday period, particularly in relation to the refurbishment of the technical classrooms, lift installation and toilet refurbishment. The opportunity to complete these elements in an unoccupied building was lost, so much of this work has had to be carried out during term time.

The combined effect of the delays caused by the suspension of work, the necessary phased resumption of site activity, being unable to complete the planned works during the holiday period, and schools returning one week earlier, means that internal construction work will now continue through to the end of November, with the remaining external works continuing thereafter.

B.3 **Merkinch Primary School/Family Centre:** The new school building was handed over prior to the October holidays and was fully operational for the start of the new term. The modular units used as decant accommodation have been removed for use at other schools. The second phase of the project, including the formation of the playing fields and the refurbishment of the original school building for kitchen/dining facilities and the relocation of the Family Centre, is due to be complete by August 2021.

## C. Major Projects – Not Yet Legally Committed

- C.1 **Charleston Academy and Culloden Academy:** Work is underway on preparing masterplans that will establish a long-term strategy for the redevelopment of each campus. This is being carried out in conjunction with the annual review of the 15-year school roll forecasts that is a key element in assessing future capital investment priorities. This will establish the approach to the initial phases of extension and refurbishment work at both schools to be delivered within the capital funding approved in March 2018. The report to Council in December will set out timescales for both projects along with revised expenditure profiles.

Work has recently been completed on the refurbishment of the PE changing rooms at Charleston and enabling works are planned for Culloden Academy, including the demolition of the former schoolhouses.

- C.2 **Milton of Leys Primary School – Nursery Annexe:** This project has been delayed due to ongoing discussions over the acquisition of the area of land adjacent to the school. As a result, the new annexe will not be ready for the start of the new session in August 2021. However, this presents an opportunity to take it forward as a pilot project and consider using the Passivhaus design approach as outlined in Section E.2.

- C.3 **Ness Castle – New Primary School:** The new school at Ness Castle was programmed to open in August 2021 with construction work due to start on site in May 2020. The award of the contract was not achieved as entering into a contract for such a high value project during the lockdown period would have exposed the Council to significant financial risk. As a result, the establishment of the new school has been put back to August 2022, with construction work now programmed to start early in 2021.

Meanwhile, the project team has been refining the design proposals and site layout, addressing the conditions attached to the planning approval, and establishing cost certainty prior to contract award. The capacity issues at Holm and Lochardil will be monitored with colleagues in Education for school sessions 2020/21 and 2021/22. Again, the revised expenditure profile will be reported to the Council meeting in December.

## D. Early Learning and Childcare/School Estate Improvement Programme

- D.1 The Council approved a report in June 2019 setting out the distribution of funding from the Scottish Government capital allocation for the ELC programme, along with projects to be funded from the generic school capital budgets that would support the ELC programme and deliver essential building improvements over the same timeframe.

- D.2 The following table summarises progress to date on the projects that were approved in June 2019 along with the further projects that were subsequently approved.

	<b>Total No. of Projects</b>	<b>No. of Settings with an ELC element</b>
<b>Completed</b>	<b>43</b>	<b>34</b>
<b>In Construction</b>	<b>14</b>	<b>7</b>
<b>Tender Stage</b>	<b>12</b>	<b>12</b>
<b>Pre-Construction</b>	<b>43</b>	<b>30</b>
<b>Totals</b>	<b>112</b>	<b>83</b>

## **E. Other Matters**

- E.1 Modular Units:** Previous reports to Council and Committee meetings have highlighted the condition of dilapidated modular units as one of the key pressures on the school estate. The combined investment programme approved in June 2019 committed capital funding to address some of the most immediate priorities, but there remains a significant number of units that are well beyond their economic life. Council officers are exploring the purchase of modular units currently being used as decant accommodation at Lochaber High School that could provide a cost-effective solution to replace some of the worst remaining units. In particular, units at Daviot and Dunvegan Primary Schools are in urgent need of replacement. Full details of this proposal will be included in the report to the Council in December.
- E.2 Passivhaus Pilot Projects:** As highlighted in the report to Council on 1<sup>st</sup> October 2020, the energy performance targets linked to the Scottish Government's new Learning Estate Investment Programme (LEIP) are extremely challenging. The work that is being carried out during the design stages of the Tain Campus project includes the examination of the Passivhaus design approach. This will help to establish many of the principles that need to be adopted for larger scale projects, and these could be applied to Nairn Academy if the bid for Phase 2 of the LEIP is successful.

A pilot programme of smaller scale projects, such as the new nursery annexe at Milton of Leys Primary and the phased new builds at Beauly and Dunvegan Primary Schools (and Broadford Primary if the LEIP Phase 2 bid is successful), would inform the approach to all single storey new builds that are likely to need to meet the same criteria in the future. Initial work is being carried out to explore the benefits of such an approach and further details will be reported to the Council meeting in December, along with timescales for all these projects.