
Report To:	Policy & Resources Executive Sub-Committee	Date:	28 July 2020
Report By:	Corporate Director Education, Communities & Organisational Development	Report	LP/076/20/EM
Contact Officer:	Eddie Montgomery	Contact No:	01475 712472
Subject:	Early Learning and Childcare Expansion – Infrastructure Update and Project Approvals		

1.0 PURPOSE

- 1.1 The purpose of the report is to update the Sub-Committee in respect of the status of the two remaining major capital projects within the 1140 Hours infrastructure expansion plan and obtain delegated authority to progress the formal legal process for acceptance of the construction contracts.

2.0 SUMMARY

- 2.1 This report advises the Sub-Committee in respect of the progress and financial status of the two remaining key infrastructure projects within the Council's Early Learning & Childcare Expansion Plan at Larkfield Children's Centre and the Park Farm (Rainbow Family Centre).
- 2.2 The projects have progressed to a stage where approval is required to progress the formal legal agreements for the construction of the facilities. The report confirms the overall financial position and budget availability within which the project costs will be contained.

3.0 RECOMMENDATIONS

- 3.1 That the Sub-Committee notes the progress on the projects.
- 3.2 That the Sub-Committee approves delegated authority to the Head of Legal and Property Services to agree, execute and deliver the Design and Build Development Agreements for the Larkfield and Park Farm (Rainbow Family Centre) projects as detailed in 7.1 provided the cost is within the available budget for the projects.

Ruth Binks
Corporate Director Education,
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4.0 BACKGROUND

- 4.1 The Scottish Government's plan to increase the entitlement of early learning and childcare from 600 hours to 1140 hours by 2020 requires substantial levels of investment in workforce and infrastructure to support the expansion. Inverclyde Council submitted its initial expansion plan to the Scottish Government on 29th September 2017 on how it intended to deliver this expansion and this was reported to the October 2017 Education & Communities Committee. A full reworking of the plan was undertaken with submission of a revised financial template in March 2018 with the revised plan reported to the special Education & Communities Committee in June 2018. The most recent update on progress was provided to the Policy & Resources Executive Sub-Committee of 16 June 2020.
- 4.2 Regular reports on progress have been included in the capital programme progress reports to the Education & Communities Committee covering the infrastructure and capital funded elements of the expansion plan. The current position on the two final key infrastructure projects within the plan is outlined in the sections below.

5.0 LARKFIELD CHILDREN'S CENTRE

- 5.1 The proposals involve the provision of a new build replacement for an expanded service at Larkfield Children's Centre which currently operates from a wing of the former Sacred Heart Primary School building scheduled to become surplus following the current use by St Mary's Primary School. This project is being progressed via hub West Scotland and, prior to the COVID-19 lock down restrictions, was approaching the end of hub stage 2 in preparation for financial close.
- 5.2 Following Scottish Government direction, and in accordance with the phased recovery plan for construction activity restart, the activities around concluding the market testing and Stage 2 report have recommenced with the return from furlough of consultant and contractor staff. It is anticipated that the formal Stage 2 report will be approved via the hub West Scotland board in July. Formal Planning approval for the project was granted at the March Planning Board. Building Warrant approval is based on a staged application with the first stage approval agreed.
- 5.3 It should be noted that the project progress and ability to commence on site is also dependent on the completion of the St Mary's Primary School project which restarted on site on 22nd June and is currently projecting completion in early October. The project also requires the purchase of the Stafford Road site from River Clyde Homes and Scottish Ministers approval in relation to the conditions of the previous stock transfer agreement. This process is now at an advanced stage with conclusion anticipated in August. Subject to the satisfactory conclusion of the items above the current programme anticipates financial close in early September with a start on site mid-October and completion of phase 1 (new Larkfield building) in July 2021 and completion of phase 2 (demolition of the existing Sacred Heart building) by the end of 2021.

6.0 PARK FARM (RAINBOW FAMILY CENTRE)

- 6.1 The proposals involve the provision of a new build expansion / extension which will operate in tandem with the existing Rainbow Family Centre. This project is being progressed via hub West Scotland and, prior to the COVID-19 lock down restrictions, was approaching the end of hub stage 2 in preparation for financial close.

- 6.2 Following Scottish Government direction, and in accordance with the phased recovery plan for construction activity restart, the activities around concluding the market testing and Stage 2 report have recommenced with the return from furlough of consultant and contractor staff. It is anticipated that the formal Stage 2 report will be approved via the hub West Scotland board in July. Formal Planning approval for the project is imminent with report currently being put forward for determination under delegated powers. Building Warrant approval is based on a staged application with the first stage approval agreed and a separate warrant in place for the demolition of the existing community centre building.
- 6.3 Subject to the satisfactory conclusion of the items above the current programme anticipates financial close in early August with a start on site in September and completion in May/June 2021.

7.0 PROJECT APPROVALS

7.1 As outlined in sections 5.0 and 6.0 above the Larkfield Children's Centre and Park Farm (Rainbow Family Centre) projects are currently progressing towards completion of hub stage 2 and financial close following conclusion of the market testing stage. Approval to sign up as participants in hub West Scotland was obtained at the Policy and Resources Committee of March 2013. Subsequent to that approval the Council signed the Territory Partnering Agreement (TPA) and the Participants Agreement. The Education & Communities Committee has been provided with regular updates on the progress of the project through the hub delivery model stages. The current programme for the projects now requires approval to move to financial close and enter into a Design and Build Development Agreements with hub West Scotland Ltd. (and related documents) for the design and construction of the new Larkfield Children's Centre / Extension of the Existing Rainbow Family Centre. The Sub-Committee is requested to:

- Approve the execution, delivery and performance of the Design and Build Development Agreements with hub West Scotland Ltd. (and any documents incidental and/or relative thereto) in respect of the Larkfield Children's Centre Project and the Rainbow Family Centre Project ; and
- Grant delegated authority to the Head of Legal and Property Services to agree, execute and deliver the Design and Build Development Agreements (and any documents incidental and/or relative thereto) in respect of these projects.

8.0 IMPLICATIONS

8.1 Finance

The Scottish Government confirmed a total Capital grant of £5.98m to Inverclyde Council as part of the overall 1140 hours funding. The capital allocation for the two projects above within this total Capital grant is £4.65m.

It should also be noted that the March Education & Communities Committee supported the creation of a £600K earmarked reserve to allow a carry forward of underspend in the 2019/20 Early Learning and Childcare revenue budget to support the capital infrastructure projects and projected pressure on the 1140 Hrs Capital grant allocation. This was subsequently approved by the March Policy & Resources Committee. An update on the projected underspend was provided to the Policy & Resources Executive Sub-Committee of 16 June 2020 which added a further £78K to the figure earmarked to support infrastructure developments.

The Education capital programme also includes £366K for the demolition of the former Sacred Heart Primary School facility. This work is included in the Larkfield project due to its direct link with the relocation of the existing Larkfield facility with both elements considered together as part of the formal planning approval process.

One off Costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
82970 / 82971	ELC Capital	2018-22	4,650		Funding for the 2 new build projects
00408	ELC CFCR	2020-21	678		
82957	Education Capital	2021-22	366		Sacred Heart Demolition
			5,694		

The project costs are subject to conclusion of the processes outlined in sections 5 and 6 and will be contained within the available budget in the table above. It should be noted that this includes the impact of COVID-19 restricted working practices and adjusted working methods / programme to align with the Scottish Government phased recovery plan for the construction sector.

8.2 **Legal**

There are no legal issues.

8.3 **Human Resources**

There are no human resources issues.

8.4 **Equalities**

(a) Has an Equality Impact Assessment been carried out?

	YES
X	NO - This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

X

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

NO

8.5 Repopulation

The regeneration works outlined in this report should contribute to retaining and increasing the population within the area. There are no repopulation issues.

9.0 CONSULTATION

9.1 There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, Policy and Communications has not been consulted.

9.2 There are no legal issues arising from the content of this report. The Head of Legal and Property Services has been consulted in respect of the requirement as authorised signatory as part of the hub process and in respect of the on-going land transaction for Stafford Road site.

9.3 The Chief Financial Officer has been consulted on this report.

10.0 LIST OF BACKGROUND PAPERS

10.1 None.