



BARRA AND VATERSAY COMMUNITY CAMPUS

Report by Chief Executive

PURPOSE

- 1.1 The purpose of the Report is to provide the Comhairle with an update on progress of the Barra and Vatersay Community Campus (BVCC) Project and to discuss options for delivery of the educational and leisure elements of the Project.

EXECUTIVE SUMMARY

- 2.1 Following the decision of the then Cabinet Secretary for Health and Social Care in May 2023 that the Hospital element of the BVCC not proceed until the next, i.e. post-2027 Scottish Government/NHS Scotland Capital Programme, a number of key meetings have taken place with Scottish Government, Scottish Futures Trust (SFT), hub North Scotland Limited (hNSL) and within the Comhairle to consider the best means possible of delivering the educational and leisure elements of the project. It is well known that the condition of Castlebay School, particularly its secondary section, is deteriorating and that the new provision is required as soon as possible.
- 2.2 Informed by the design development and site investigation work undertaken to date, the Comhairle has considered some high-level options with a view to delivery, as early as possible, of a new Castlebay School and associated leisure facilities whilst retaining the overall vision of a Campus approach that would align with the policy of place-based investment. Such work inevitably requires an element of options appraisal, and it is simultaneously important that the Comhairle set out its clear expectations for new educational, and enhanced leisure, facilities in order that any options appraisal matches with the Comhairle's and the community's service and policy aspirations. Further details in relation to all these matters are set out in the body of the Report.

RECOMMENDATIONS

- 3.1 It is recommended that the Comhairle;
 - (a) notes the issues, preparatory work and options set out in the report regarding delivery of the education and leisure elements of the Barra and Vatersay Community Campus;
 - (b) authorises the Chief Executive, in consultation with the Chief Officers for Education and Children's Services, and Property and Infrastructure, to implement with immediate effect exploration of the options set out at paragraph 7.5, if and as approved by the Comhairle;
 - (c) authorises the Chief Executive to prepare, for consideration at the June 2024 meeting of the Committee the necessary revised structures for project management and delivery; and
 - (d) notes that the Chief Executive will continue to advise and liaise with the Leader, Depute Leader, Chair and Vice- Chair of Education, Sport and Children Services Committee, the Members for Barra and Vatersay, the Castlebay School Parent Council and the Barra and Vatersay Area Forum

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Appendix: None
Background Papers: Report to Policy and Resources Committee of 14 June 2023 and correspondence referred to therein

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	The financial implications are set out in detail in sections 5 and 6 of the report
Legal	None at this stage
Staffing	None at this stage
Assets and Property	None at this stage
Strategic Implications	Implications/None
Risk	The need for replacement education and leisure facilities for the Barra and Vatersay community is well known and affordable options for delivery, which would address the relevant risks, are the subject of this report
Equalities	None at this stage
Corporate Strategy	Both the BVCC and the provision of new educational and leisure facilities for Barra and Vatersay are supported by the Corporate Strategy
Environmental Impact	None at this stage
Consultation	The options set out in section 7.5 will be the subject of further engagement with the Parent Council, Area Forum and other bodies as appropriate depending on the finance available to deliver the best possible outcome.

BACKGROUND

- 5.1 The extant BVCC design, comprising 100% new build, was subject to significant consultation at local stakeholder and inter agency/government level and was unanimously supported by the Comhairle. The Report to Policy & Resources Committee noted in November 2022 that there was, at best, a notional £17m shortfall in the cost apportionment with no indication as to how this may be bridged.
- 5.2 In March 2023, the announcement by the then Cabinet Secretary for Health and Social Care, Scottish Government, to defer investment in the health facilities across their capital investment programme, including those proposed for Barra and Vatersay, significantly compounded the affordability position putting at risk the viability of the project. Scottish Government education officials remain fully committed to a new school project in Castlebay and the overall vision of a Campus model which aligns with their policy of place-based investment.
- 5.3 Notwithstanding the above, and despite a number of helpful discussions, there is currently no formal commitment to increased funding beyond that already secured in principle. It should be noted that funding previously secured in principle is inevitably subject to variation pending the final scope of the project. SFT's expectation is the project be rescope commensurate with the available budget. Unless a commitment to further funding to meet any project shortfall is obtained from Government, in view of the urgent need for improved provision for and at Castlebay School, there is a need to rescope the project and consider 'sub optimal' options.

- 5.4 Irrespective of design option, due to the site location and the significant infrastructure and prevailing site-specific abnormalities, there may remain an affordability gap that necessitates Scottish Government or other external funding intervention beyond that provided through SFT LEIP funding and Comhairle prudential borrowing.
- 5.5 As is often the case with high value projects, there is a risk of further abortive design costs through the consideration of options that do not ultimately yield a viable proposal. The Comhairle need to mitigate this by continued close consultation with SFT and Scottish Government officials, identifying the essential components required to deliver the education and sport curriculum as well as managing the expectations of the wider community and various stakeholder groups.

DELIVERY MODEL CONSIDERATIONS

- 6.1 Rescoping the education and leisure aspects of the project means in effect that there would be a new project for the delivery of these elements. There have been changes in senior project personnel across both the Comhairle and hNSL and the existing project governance arrangements require to be reviewed in light of this as well as omitting of the health and social care elements of the project.
- 6.2 hNSL are effectively stood down at this time. It would represent best practice that consideration be given to other delivery options including other frameworks and procurement routes. Reconsideration and review of the merits, or otherwise, of modular build/maximum off site construction is required. The report previously undertaken in 2021 was based on the 100% new build community campus model and, in any case, there remain some unanswered queries regarding some of its content.
- 6.3 It is unlikely any single delivery vehicle or sub optimal design option (acceptable to the stakeholders) will in itself eliminate the anticipated affordability gap – but the choice of delivery vehicle is important in a context of risk where, considering construction market volatility and associated commercial risks, the Comhairle may wish to exercise greater control and oversight over the project. Whatever its form, there will be a high value (in contract terms) and a very high-risk project, and it remains to be seen which risks a Contractor is willing to take ownership of and, likewise, the Comhairle and at what price. A substantial risk pot will be required and Members should note the operational risks of the project in the context of wider corporate risk.
- 6.4 There is a clear LEIP funding obligation to ensure good maintenance for a 25-year period, which must be reflected when setting budgets, deciding upon scope and level of prudential borrowing.

DESIGN SCOPE OPTIONS

- 7.1 The historic cost data provided by hNSL and the reported affordability gap associated with the BVCC project would seem to necessitate consideration of either or both reduction in new build Gross Internal Floor Area (GIFA) and, possibly, reduction in demolition.
- 7.2 Options to consider may comprise retention of some existing buildings such as Barra Children's Centre (BCC), swimming pool, fitness suite and sports hall to form, possibly, a refurbished sports hub on the north side of the A888. Previous exercises demonstrated that decant entails considerable costs and logistical challenges and this conclusion therefore points towards maximising new-build education facilities on the south side of the A888.

- 7.3 Retention of a refurbished primary school is also an option, although to do so suggests that an element of decant would be necessary and does little to improve the adjacency between Early Years and Primary, unless Early Years can be incorporated within a refurbished primary school. Retention of the primary school building may also be considered for either education/non-education and wider corporate and/or community campus purposes or be disposed of. Retention of BCC in its current form and function (with any necessary adaptations and improvements) to ensure statutory compliance is a further option worthy of consideration.
- 7.4 The long-held community aspiration of a 60m x 40m (7- a-side) all weather pitch is not possible on North side of A888 if the existing leisure facilities are retained. An all-weather facility would need to reduce by circa 50% to 5-a-side but consideration could be given to provision of a covered facility thus making it accessible throughout the year. Conversely, and consistent with the community's original aspirations, a 60m x 40m all-weather facility could be accommodated on the south side of the A888, but this would require the school to remain on the north side and a construction process that would likely require a significant decant phase for staff and pupils. Consultation with key stakeholders is required on this matter.
- 7.5 Options, therefore, which could be subject to further appraisal seem to be:

Option A – New build primary and secondary on south side of A888. Formation of “Sports Hub” on north side of road (A888), through retention of Swimming pool, Sports Hall and Fitness Suite. Western Isles Schools Project (WISP) style primary school gym provision provided on south side of the road to facilitate access for youngest learners and avoid road crossing. This would result in smaller all-weather facility (5-a- side) on the north side of the A888.

Option B – New build secondary on south side of A888, refurbish existing primary school. Formation of “Sports Hub” on north side of road (A888), through retention of Swimming pool, Sports Hall and Fitness Suite, would result in smaller all-weather facility (5-a-side).

In Options A and B the BCC is retained and whether it continues to be used for Early Years provision in order to reduce Primary GIFA requires assessment.

Option C – New Build Secondary (including Dining and Performance) on existing site, refurbish existing Primary School, retain BCC with modest refurbishment, refurbishment existing leisure facilities, 60m x 40m (7 aside) all-weather pitch on south side of the road. Option C resembles some options discussed with stakeholders in 2015 and which the Comhairle were progressing prior to SG's intervention and encouragement to pursue the community campus model. This option, and variations of it, would require significant decant.

Sub-options may emerge and there are options which are far more radical – such as an SFT officer suggestion of reusing purchased decant accommodation in a permanent solution and converting the existing sports hall into a two-storey learning space.

SITE ABNORMAL AND ENABLING WORKS

- 8.1 The infrastructure requirements of this element of the BVCC are significant and possibly require a separate enabling works contract. Due to their nature, the 'site abnormalities' are likely to remain irrespective of design option. These are not insignificant and therein lies much technical risk (and thus cost) as well as uncertainty subject to further design development and detailed site investigation. In no order of risk or importance, these include but are not limited to:

- Archaeological risk due to nearby burial ground.
- Contaminated Land due to part of the site being used for landfill.
- Flood Risk Mitigation Works
- Drainage infrastructure requirements
- SSE Infrastructure - capacity issues and service diversions
- New road infrastructure requirements
- Contractor compound/welfare village and possible decant village for education facilities.

These of course are aside from the logistical challenges peculiar to Barra, such as there being no/limited landfill, quarry material limitations, transportation constraints, accommodation shortages, etc.

- 8.2 There is therefore a high likelihood the options outlined above will prove equally challenging to fund and will generate a cost beyond the means of conventional funding routes.

CONCLUSION

- 9.1 The Comhairle finds itself in a position of, instead of completing the details of the funding package for an integrated Community Campus, having to consider and implement piecemeal development of the Campus project, which, while both desirable and urgently necessary, does not represent best value for the provision of the integrated services which these communities require. Nevertheless, the provision of new and integrated education and leisure facilities is urgently required, and it is critical that the Comhairle agrees, at this meeting and at the June 2024 series of meetings, the next, and clear steps forward. Input from Education officers and practitioners, as well as key community stakeholders, are as ever key to ensuring that a revised scope meets their immediate and long-term essential requirements. That process will include answers to the questions posed within the options set out in paragraph 7.6 above, regarding, for example, the location of Early Years provision and the extent of all-weather facilities. It should be noted that due to site location and site abnormalities, there might not be huge differences in cost between options; hence the need for further appraisal.
- 9.2 Inevitably and understandably, there will be huge stakeholder frustration over separation of sports and education facilities, which the extant BVCC campus design overcame but, in the absence of external funding, that model is unaffordable. An affordability gap may still exist irrespective of which option is selected and more extensive refurbishment will impact the SFT notional LEIP funding calculation. The choice of delivery route/vehicle and apportionment of risk is critical, as operational/reputational risks and impacts associated with this type of project, are very high/extreme.
- 9.3 This would effectively be a new project, requiring a new project team, project governance and potentially new delivery vehicle. Sufficient time and resource must be given to establish these elements.
- 9.4 There is accordingly a requirement to seek Comhairle approval to begin exploration of the sub-optimal options, further consideration of delivery model and new project governance arrangements.

- 9.5 Due to the lack of clarity around project scope and funding availability, there is the inevitable risk of investing further, potentially abortive, time and cost exploring further options. It is clear, however, that progress requires being made in the short term and like most projects there will always exist an element of risk until such time there is sufficient design development informing a more accurate cost estimate. Even then, cost certainty will only be obtained through market testing. The first stage is identifying a realistic option that meets the essential needs of education and leisure stakeholders and a scheme which garners support from SFT and Scottish Government.