



**PERFORMANCE MANAGEMENT 2022/23 – QUARTER 3
INVESTMENT DELIVERY**

IJB Audit Committee 08.02.23
Agenda Item: 5.1
Purpose: For Awareness

Report by CnES Director for Investment Delivery

PURPOSE OF REPORT

To provide the Comhairle with an update on the progress of the Investment Delivery Business Plan and related performance for the 2022/23 financial year.

COMPETENCE

- 1.1 There are no legal, financial, equalities or other constraints to the recommendations being implemented.

SUMMARY

- 2.1 The Investment Delivery Business Plan has one Key Action (Development and delivery of major infrastructure projects, meeting targets associated with safety management, programme, cost and quality). Progress updates for each of the three major projects currently within the remit of Investment Delivery are provided in the Appendix to the Report.
- 2.2 Operational risk within Investment Delivery is monitored on Interplan and reported externally via the Comhairle's website.
- 2.3 Financial performance at the end of the third quarter of the 2022/23 financial year is summarised in Section 7 of the Report.
- 2.4 The service received no Complaints in the first three quarters of 2022/23.
- 2.5 Full detail in regard to progress for Investment Delivery can be viewed at: [Service Business Plan Progress Reports](#). In line with Audit Scotland's recommendations, Elected Members are also encouraged to access the Comhairle's online performance monitoring and reporting system Interplan, which contains all departmental Business Plans. Interplan can be accessed at [Interplan](#)

RECOMMENDATION

- 3.1 It is recommended that the Comhairle note the Report.**

Contact Officer: Iain Mackinnon, CnES Director for Investment Delivery
Appendix: Investment Delivery Progress Update; January 2023
Background Papers: Investment Delivery Business Plan 2022/23

IMPLICATIONS

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

Resource Implications	Implications/None
Financial	None
Legal	None
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	Investment Delivery Operational and Project Risk Registers in place; progress of risk mitigation measures monitored and reported through relevant governance arrangements regularly.
Equalities	None
Corporate Strategy	Activities support the delivery of the Comhairle's four main Strategic Priorities of Economy and Jobs, Communities and Housing, Education, Skills and Training and Quality of Life, Wellbeing and Health
Environmental Impact	None
Consultation	None

BACKGROUND

- 5.1 The First Minister committed Scotland to the [United Nations Sustainable Development Goals](#) in July 2015. These are 'global goals' and targets that are part of an internationally agreed performance framework. All countries are aiming to achieve these goals by 2030.
- 5.2 The [National Performance Framework](#) is part of Scotland's efforts to meet the "global goals". The framework sets out a vision of national wellbeing for Scotland and charts progress towards this through a range of economic, social and environmental indicators. The Framework changed how we do government in Scotland. The focus shifted to improving outcomes and how public sector actions will improve the quality of life for the people of Scotland. This approach to government in Scotland has now been given a statutory basis in the Community Empowerment (Scotland) Act 2015.
- 5.3 Community Planning Partnerships work with the Community on local improvement plans that deliver better services which make a difference to people's lives. In 2015 the Community Empowerment (Scotland) Act 2015 placed a duty on Community Planning Partners to demonstrate that they are making a significant impact on the achievement of outcomes as a result of partnership working. In doing so Community Planning Partnerships must prepare and publish a [Local Outcomes Improvement Plan](#) (LOIP) which sets out the priority local outcomes it proposes to improve.

- 5.4 The Comhairle's Corporate Strategy sets out the priorities and strategic direction of the Comhairle. Their vision is to work with *"our partners and governments to strengthen our local economy and our communities, help our young people achieve their potential and gain sustainable employment, and promote and support healthier lifestyles within safe and caring communities."* The Comhairle's Corporate Strategy 2017-2021 can be viewed, at: [Corporate strategy 2017-21](#)
- 5.5 Business planning processes should clearly link high-level strategic priorities with more specific objectives for services, teams and individuals. This is often referred to as the 'golden thread'. The Comhairle's Corporate Strategy is a high-level document which sets out the strategic direction of the Comhairle for each Comhairle term, reflecting political priorities and choices. It is complementary to the LOIP in terms of priorities and aspiration and the Comhairle have a contribution to make to achieving some of the outcomes outlined in the LOIP, as appropriate, in partnership.

BUSINESS PERFORMANCE

- 6.1 The Investment Delivery Business Plan has one Key Action (Development and delivery of major infrastructure projects, meeting targets associated with safety management, programme, cost and quality). Progress updates for each of the three major projects currently within the remit of Investment Delivery are provided in the Appendix to the Report.
- 6.2 The service has two Performance Indicators (PIs) (Reporting of safety (RIDDOR) incidents; Quality and Stakeholder Feedback). The former remains on target; the latter is subject to a review in light of Investment Delivery being unable to undertake the necessary survey work with client groups and other stakeholders under the current circumstances.

RISK MANAGEMENT

- 7.1 The Investment Delivery Business Plan includes a consideration of operational risks for the unit and are reviewed at the monthly Unit Performance Management Meeting. No new risks have been identified during the quarter.
- 7.2 The Comhairle's Risk Management Policy and Strategy was approved in March 2019. At the time of writing, this is under review with the outcomes to be reported to the Comhairle by the end of the year.

FINANCIAL PERFORMANCE

- 8.1 Period-end expenditure for Q3 was not available at the time of writing. A Comhairle-wide Q3 outturn report will be presented at the budget meetings later in February 2023. The forecast for year-end expenditure remains on target, consistent with the whole-year budget of £52k.

COMPLAINTS

- 9.1 Investment Delivery has received no Complaints in the first three quarters of 2022/23.

KEY HIGHLIGHTS/AREAS OF CONCERN

- 10.1 Appendix 1 of the Report provides a summary of progress for the key major projects being undertaken by Investment Delivery.
- 10.2 The key criteria for performance reporting, consistent with those used within the Investment Delivery Business Plan, continue to be:
- Safety Management
 - Quality and Stakeholder Feedback
 - Cost relative to Budget
 - Progress relative to Programme

LEWIS RESIDENTIAL CARE (GOATHILL DEVELOPMENT)

The overall development cost, including the 74 housing units being delivered by HHP, is circa £45m. Of this, the current overall development cost for the Care Home, Housing with Extra Care (HWEC) and related site infrastructure is circa £35m.

The delivery of the construction works is being undertaken in three distinct but overlapping elements:

- Enabling Works (comprising mass earthworks and construction of roads, footpaths, services ducts and water and wastewater infrastructure by Comhairle nan Eilean Siar/Hebridean Housing Partnership contracting with Wates Group/McLaughlin & Harvey Ltd)
- Main Works (comprising construction of Care Home and Extra-Care Housing by CnES/HHP contracting with Wates Group/McLaughlin & Harvey Ltd)
- Affordable Housing (comprising construction of 74 housing units by HHP contracting with O'Mac Construction Ltd)

Continuing audits of safety management arrangements on the site identify a positive health and safety culture amongst management, staff and subcontractors. Monthly safety audits continue to be carried out by the Contractor's company Health and Safety advisor. The Comhairle's Health & Safety Advisor accompanies the Contractor's Health and Safety advisor as often as is feasible.

The contractual completion date for the Care Home and HWEC is 23 February 2022. The accepted Programme is projecting a planned completion date of 27 February 2023.

The contract has and continues to be delivered in highly challenging context and market environment. Prevailing risks in relation to the construction delivery process, and which have contributed to the delay in completion, include availability of key materials, disrupted ferry sailings, adverse weather and the impact of COVID-19.

Arising from this, allowing a 4-6 week period for the installation of client-supplied furniture, fixings and equipment and taking into account the Easter break, it is planned that the migration of staff and service users will commence in mid-April 2023.

Whilst risks to project cost and completion associated with the procurement of construction materials and subcontractors continue to lie with the main contractor, the procurement of furniture and fittings is being undertaken by the project delivery team with cost increases noted across the sector. The respective procurement exercises are ongoing and, at the time of writing, indications are that the extant budget will suffice. However, it is expected that some packages will need to be requoted due to the slippage in programme.

The adjacent affordable housing development was completed by HHP in October 2022.



Beauty Therapy – Care Home (Core Facilities)
(Photo – CnES Investment Delivery)



Dining / Day Lounge - Care Home (Typical Wing)
(Photo – CnES Investment Delivery)



Corporate Training, Theory and Practical Rooms - Care Home (Core Facilities)

(Photo – CnES Investment Delivery)



Lounge 2 – Care Home (Typical Wing)

(Photo – CnES Investment Delivery)

BARRA AND VATERSAY COMMUNITY CAMPUS FEASIBILITY STUDY

Comhairle nan Eilean Siar and NHS Western Isles agreed in late 2019 to proceed with the replacement of existing facilities at the St Brendan's Hospital and Care Home and the Castlebay Community School on the basis of an integrated public sector service delivery model and community campus for Barra and Vatersay in Castlebay.

The development of the Barra and Vatersay Community Campus project is being undertaken in collaboration with the Hebridean Housing Partnership and Police Scotland and is being supported by the Scottish Government and the Scottish Futures Trust. hubNorth Scotland Ltd has been appointed as the delivery partner responsible for strategic support, design team services and construction supply chain management.

Following a series of development and design exercises, the delivery process is now focusing on the continuing development of preferred Layout Option E6. This continues to form the basis of ongoing engagement with Scottish Government and the Scottish Futures Trust.



As part of the ongoing development process, hubNorth Scotland Ltd published the End-of-Stage Report on 19 August 2022. Project updates were subsequently provided to the Comhairle in September 2019 ([Report to P&R Committee 21 September 2022](#)) and November 2022 ([Report to P&R Committee 30 November 2022](#)).

Challenges associated with project cost and affordability continue to exist and pose a major risk to the delivery programme. Notwithstanding this, at the time of writing, it is hoped to enable development Stage 2 to commence in February 2023.

A more detailed update on the progress of the project is available from the concurrent report.

LOCHMADDY PIER IMPROVEMENT PROJECT

The project is being delivered in collaboration with Transport Scotland. The upgrading of pier facilities at Lochmaddy comprising:

- Seabed dredging
- Extension of vehicle marshalling area
- Strengthening works to existing structures
- Extension of pier
- Replacement fendering
- Upgrading of power and water services

Transport Scotland Final Business Case (FBC) review and approvals process was concluded and Ministerial announcement of necessary funding made in February 2022

Main Works Contract awarded to George Leslie Ltd February 2022; construction commenced March 2022; completion now scheduled for May 2023

The manufacture of the permanent fender assemblies was undertaken in China through contract step-in arrangements with Trelleborg AB; components provided free issue to the new main contractor for installation during the course of the main works. All components and supporting documents now delivered to site and installation to the pier and caisson is ongoing.

- Earthworks and construction associated with extension to marshalling area substantially complete; first-stage surfacing complete; drop-trailer hardstanding substantially complete; Phase 2 including main road and hotel access and accommodation works ongoing
- Concrete strengthening and cathodic protection works to existing pier ongoing.
- Installation of permanent fender system to pier and caisson ongoing.
- Underwater and other preparatory works associated with temporary and replacement fendering and caisson foundations ongoing; movement of caisson to permanent location currently scheduled for 4 February 2023.

Progress to works impacted by closure of linkspans at Lochboisdale (October 2022) and Uig (16 January to 13 March 2023); implications to project programme and cost being assessed by Project Manager under provisions of Contract.

Construction works completion forecasted for May 2023.

In parallel to the current improvement works, discussions are ongoing with Transport Scotland, CMAL, CalMac and Wallace Stone regarding the proposed introduction of new dedicated "Islay-class" vessels on the Uig-Lochmaddy and Uig-Harris routes in 2026.

Infrastructure "fit" issues are being identified and, where possible, being addressed and included as part of the scope of the current Lochmaddy Pier Improvement Project. Remaining infrastructure issues to be addressed as part of future improvements project, the scope and funding of which is to be agreed with relevant parties.



Underwater Placing of Caisson Concrete Foundations
(Photo - Wallace Stone LLP)



Installation of Reinforcing to Pier Bollard Foundation
(Photo – Wallace Stone LLP)



Drop-Trailer Compound – Surfacing and Drainage Works in Progress

(Photo – Wallace Stone LLP)