**BARRA AND VATERSAY COMMUNITY CAMPUS**

Report by Chief Executive, Chief Officer Health & Social Care and Director for Investment Delivery

Purpose of Report To provide the Comhairle with an update on progress associated with the Community Campus project and to seek approval for a revised preferred layout option.

COMPETENCY

- 1.1 There are no legal or equalities constraints to the recommendations being implemented. Consideration is given to the financial implications in the Body of the Report.

SUMMARY

- 2.1 Work associated with the previously reported reassessment exercise is now substantially complete and, subject to the collation and archiving of the report body and the substantial volume of technical appendices into an on-line archive, a copy of the full report and its appendices will be available from the Director for Investment Delivery shortly; a copy of the Executive Summary is included as Appendix 1 to the Report.
- 2.2 A copy of the recently published Stakeholder Briefing Note, which provides further detail associated with the rationale for and the outcomes from the Reassessment Exercise, is included as Appendix 2. Details of each of the short-listed layout options are included in the annex to the Briefing Note and evaluated against the criteria set out in the body of the Report.
- 2.4 The key outcome from the Reassessment Exercise is that the most cost-effective layout option is Option E6 at an estimated cost of £63.5m. It is emphasised however that the feasibility of this is dependent on the acquisition of a property and an area of land adjacent to the site.
- 2.5 A summary of the allocation of costs and the respective indicative funding packages is provided in the body of the report and Layout Option E6 is identified as the option which has the lowest current indicative funding shortfall of £3.88m. The establishment of a finalised multi-agency funding package is subject to clarification by the respective funding parties.
- 2.6 Feedback to the proposed recommendation that Layout Option E6 be adopted as the revised preferred option was very positive across the range of community and service manager stakeholders engaged with in January 2022. Particular mention was made by community stakeholders who noted and welcomed the fact that many of the serious concerns associated with the original preferred layout option, Option 1D, had been recognised and addressed by the delivery team as part of the reassessment exercise and the proposed Layout Option E6. A copy of the subsequent joint statement issued by the Northbay and Castlebay & Vatersay Community Councils is included as Appendix 3 to the Report.
- 2.7 The Project Executive Board agreed on 3 February 2022 that Layout Option E6 be adopted as the preferred option.

RECOMMENDATION

- 3.1 It is recommended that the Comhairle:
- (a) agree to note the Report; and
 - (b) noting the continuing material issues set out in Section 8 of the Report, insofar as its interests are concerned, agree that Layout Option E6 be adopted as the revised preferred layout option and form the basis of ongoing engagement with the Scottish Government and the Scottish Futures Trust.

Contact Officer:	Malcolm Burr, Chief Executive Iain Mackinnon, Director for Investment Delivery
Background Papers:	None
Appendices:	1 Reassessment Exercise Report; Executive Summary (January 2022) 2 BVCC Stakeholder Briefing Note (January 2022) 3 Joint Statement; Northbay and Castlebay & Vatersay Community Councils (February 2022)






IMPLICATIONS

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

Resource Implications	Implications/None
Financial	Capital costs associated with the development and delivery of the project are being funded from and contained within the multi-agency funding package and project budget.
Legal	Option E6 requires the acquisition of land currently held in crofting tenure. Should acquisition proceed, further negotiations will take place with both the landowner and the Crofting Commission with a view to expediting transfer of the necessary land.
Staffing	Staffing implications arising from the community campus project are being considered by the relevant service departments and reported through the respective governance arrangements.
Assets and Property	The project represents a significant investment in the public sector estate on Barra and Vatersay and comprises the replacement of the Castlebay Community School, the St Brendan's Hospital Care Home, the Barra GP Surgery and the Council Offices, all in Castlebay.
Strategic Implications	Implications/None
Risk	Project risk is managed through regular monitoring and reporting to the Project Executive Board. Further detail of this can be provided by the Director for Investment Delivery.
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	The development of project sustainability and environmental strategies is on-going.
Consultation	Significant engagement with service user and provider groups, with representative bodies and with the wider community has been undertaken and remains ongoing through the development and delivery stages of the project.

REASSESSMENT EXERCISE – OUTCOMES

- 5.1 Work associated with the reassessment exercise is now substantially complete and the final Consultative Draft of the report was issued by hNSL on 14 January 2021. Subject to the collation and archiving of the report body and the substantial volume of technical appendices into an on-line archive, a copy of the full report and its appendices will be available from the Director for Investment Delivery shortly; a copy of the Executive Summary is included as Appendix 1 to the Report.
- 5.2 A copy of the recently published Stakeholder Briefing Note, which provides further detail associated with the rationale for and the outcomes from the Reassessment Exercise, is included as Appendix 2.
- 5.3 As reported previously, a long list of layout options was refined down to a short list of four layout options comprising:
- Layout Option 1D (original preferred option)
 - Layout Option G2
 - Layout Option H and H2 (identical layouts but alternative construction programming)
 - Layout Option E6
- 5.4 Details of each of these layout options are included in the annex to the Briefing Note and are summarised below

Option D (current layout)	Option G2	Option H	Option H2	Option E6
Education, community, health and social care located North of A888. Sport facilities located to the South.	Health and social care located North of A888. Education, community and sport facilities located to the South. Linear layout.	Health and social care located North of A888. Education, community and sport facilities located to the South. L shape layout.	Option H revised programme	Health and social care located on croft land. Education, community and sport facilities located South of the A888 with L shape layout. 7 a side 3G pitch located on existing school land and former primary school area used for parking.
				

- 5.5 Each of the shortlisted layout options were then developed and evaluated on the basis of the following criteria:
- Cost
 - Programme
 - Need for decant strategy
 - Impact on sports provision during build period
 - Risk Profile, Advantages and Disadvantages
 - Buildability, construction methodology and logistics
 - Layout-specific site “abnormals”
- 5.6 A summary of the estimated key milestone dates and Cost Plans is included in Table 1 below.

	Option 1D (Original)	Option 1D (Reassessed)	Option E6	Option G2	Option H	Option H2
NPR Agreement	October 2020	February 2022	February 2022	February 2022	February 2022	February 2022
Stage 1 Commencement	November 2020	March 2022	March 2022	March 2022	March 2022	March 2022
Financial Close	December 2021	July 2023	July 2024	July 2023	July 2023	July 2023
On Site Works Commence	January 2022	January 2024	August 2024	August 2023	August 2023	August 2023
NHS Building Ready for Use	November 2023	December 2026	September 2025	May 2025	April 2025	November 2026
Education Ready for Use	November 2023	December 2026	June 2026	June 2025	July 2025	June 2025
Sports & Pool Ready for Use	June 2023	April 2025	June 2026	June 2025	July 2025	June 2025
HwEC	December 2023	December 2026	September 2025	July 2026	August 2026	September 2026
Overall Practical Completion	March 2024	December 2026	February 2027	July 2026	August 2026	September 2026
Total Build Period from the Start of On-Site Works	109 Weeks	151 Weeks	132 weeks	153 weeks	156 weeks	172 weeks
Decant Requirements	Full	Full Decant	Children's Centre Only	Partial Decant	Partial Decant	Children's Centre Only
Duration with No Sports & Pool Facilities	70 weeks	62 weeks	N/A	95 weeks	98 weeks	N/A
Tech Risk Score (Mitigated)	N/a	848	743	871	871	774
Total Cost Plan	£53.9m	£72.29m	£63.56m	£70.18m	£69.86m	£67.23m

Table 1 – Indicative Milestone Dates and Cost Plans

5.7 Key points from the above data are:

- The most cost-effective layout option is Option E6 at an estimated cost of £63.5m
- The feasibility of Layout Option E6 is dependent on the acquisition of land and property adjacent to the site
- The programme implications of resuming the land fromcrofting tenure (currently envisaged as an additional 12 months in the period to achieve Financial Close) have been incorporated in the above milestone dates; the financial implications of the prolonged delivery period and construction inflation have been incorporated in the above cost plans

- 5.8 At the time of writing, the allocation of costs across the project shareholders, being the Comhairle, NHS Western Isles, Hebridean Housing Partnership, Police Scotland, Scottish Government Health and Learning Directorates and the Scottish Futures Trust, and the establishment of a revised indicative multi-agency funding package are both substantially complete.
- 5.9 Full details of the cost allocation methodology and potential funding packages for each of the short-listed layout options are available from the Director for Investment Delivery. A summary of the allocation of costs and the respective indicative funding packages is provided in Table 2 below.

Layout Option	Total Cost Plan £m	Health £m	Social Care £m	Learning, Sports & Community £m	Police Scotland £m	Potential Funding* £m	Funding Shortfall £m
Option 1D (Reassessed)	72.29	24.85	4.18	39.98	0.45	63.90	8.38
Option E6	63.56	19.67	3.97	36.68	0.41	59.68	3.88
Option G2	69.86	24.34	3.96	38.31	0.43	63.68	6.17
Option H	70.18	24.38	4.00	38.54	0.43	63.68	6.49
Option H2	67.23	22.69	4.05	37.22	0.44	62.43	4.80

Table 2 – Summary of Option Cost Allocation and Funding

(* subject to clarification by respective funding parties)

- 5.10 As noted above, Layout Option E6 is not only the most cost-effective solution but also the option which has the lowest current indicative funding shortfall of £3.88m.

STAKEHOLDER ENGAGEMENT

- 6.1 A meeting with community representatives from the Community Stakeholder Advisory Group was held in Castlebay on 19 January 2022. The Chief Executive and Director for Investment Delivery presented details of the Reassessment Exercise, as per the Briefing Note included as Appendix 2 to this Report, and sought feedback on the process and preferences regarding layout options.
- 6.2 A further Teams call was held on 26 January 2022 with a number of community representatives who were unable to attend the meeting in Castlebay; the same presentation was made by the Director for Investment Delivery in collaboration with the NHSWI Project Director.
- 6.3 A Teams call with service managers from across the shareholder organisations was also held on 26 January 2022.
- 6.4 Feedback to the proposed recommendation of Layout Option E6 was very positive across the range of community and service manager stakeholders. Particular mention was made by community stakeholders who noted and welcomed the fact that many of the serious concerns associated with the original preferred layout option, Option 1D, had been recognised and addressed by the delivery team as part of the reassessment exercise and the proposed Layout Option E6. A copy of the subsequent joint statement issued by the Northbay and Castlebay & Vatersay Community Councils is included as Appendix 3 to the Report
- 6.5 Of particular note within the community was the added-value benefit of Layout Option E6 potentially facilitating the development of much-needed additional affordable housing by HHP in Castlebay.

MODEL OF CARE

- 7.1 Matters associated with the proposed model of care, being Housing with Extra Care, were considered by the Integration Joint Board on 27 January 2022. A copy of the report considered by the IJB is available using the [LINK](#).
- 7.2 In agreeing the recommendation that the IJB reaffirm its commitment to Housing with Extra Care as the model of social care for Barra and Vatersay, it can now be confirmed that each key organisation, being the Comhairle, NHS Western Isles and the IJB, has reaffirmed their commitment to the HWEC model.

CONCLUSIONS AND NEXT STEPS

- 8.1 Following further scrutiny and challenge of the Cost Plan associated with the original preferred option, Layout Option 1D, the revised estimated cost is £71.3m.
- 8.2 The development of a series of alternative layout options formed the main part of the Reassessment Exercise undertaken by hNSL. Cost Plans and Delivery Programmes were developed for the short-listed layout options and total project costs and milestone dates for each layout option were estimated.
- 8.3 Layout Option E6 appears to be the most cost-effective solution, although it is noted that challenges associated with the need to acquire land and property adjacent to the site pose a risk to the project in terms of programme and, as a result, cost.
- 8.4 The identification of a revised preferred layout has been informed by positive engagement with community representatives and relevant service managers.
- 8.5 Only once the necessary decisions have been taken through the relevant organisational governance arrangements will a revised investment business case be submitted to the relevant Scottish Government directorates and the Scottish Futures Trust.
- 8.6 The immediate term next steps and milestone dates are planned as:
- ~~Community Advisory Stakeholder Group – Wednesday 19 January 2022~~ **COMPLETE**
 - ~~Assurance Group and Service Managers Engagement – w/c 24 January 2022~~ **COMPLETE**
 - ~~NHS Western Isles Board – w/c 24 January 2022~~ **COMPLETE**
 - ~~Western Isles Integration Joint Board w/c 24 January 2022~~ **COMPLETE**
 - ~~Publication of finalised Reassessment Exercise Report; assessment of revised funding package and project affordability – w/c 31 January 2022~~ **COMPLETE**
 - ~~Project Executive Board – Thursday 3 February 2022 – identification of revised preferred option~~ **COMPLETE**
 - Policy & Resources Committee and Comhairle nan Eilean Siar - Wednesday 9 February 2022
 - Engagement with SG Directorates and Scottish Futures Trust – February 2022
 - Instruction to proceed to hNSL Stage 1 – by end March 2022

CONTINUING MATERIAL ISSUES

- 9.1 The Comhairle will be aware that a number of significant material issues are to be borne in mind and will require to be resolved fully in taking forward the findings from the reassessment exercise. Current outstanding issues include:
- Further assessment of the programme and financial implications will be carried out in consultation with the relevant legal and technical advisors with a view to improving both the timescale and costs associated with **the need to acquire land and property adjacent to the site**.
 - Finalised position regarding **revised funding package** for revised preferred layout option

- Ongoing **consultation and liaison with relevant Scottish Government directorates** in terms of continuing support for place-based investment in context of “pathfinder” approvals process, the further development of the investment business case to suit Scottish Ministers’ requirements and an increased funding shortfall
- Ongoing **engagement with island stakeholder groups and the wider community** through the Community Stakeholder Advisory Group and Guth Bharraidh respectively

1.0 Executive Summary

The Barra and Vatersay Reassessment Report sets out the process and methodology undertaken by hub North Scotland Ltd (hNSL), it's Contractors and Professional Teams in collaboration with the Comhairle nan Eilean Siar (CnES) and NHS Western Isles (NHSWI) Project Directors and Scottish Futures Trust (SFT) in the period of the 16-week Barra and Vatersay Community Campus (BVCC) Reassessment Programme.

This Executive Summary provides the key outcomes from that exercise including the five options (Option 1D plus four alternative options) included in the Reassessment Report. The Report and it's appendices follow the agreed scope of the Reassessment Programme and its four strategies:

Strategy 1– Option 1D Cost Cleanse

A detailed diligence on the current cost plan (Option 1D) and tender returns.

Strategy 2 – Further option appraisal

A further option appraisal to review previous constraints and assess alternative site layouts.

Strategy 3 – Modular Assessment

A further review of the Modular approach to understand if benefits could be realised

Strategy 4 – Baseline Comparison

The production of a cost plan stripping out all project specific abnormals and location factor to arrive at the premium for delivering the project on Barra when compared with a central belt location.

The output from the Strategies outlined above provides the BVCC Project Partners with:

1. A revised cost estimate and programme for Option 1D, reflecting current market conditions.
2. An appraisal of four alternative site layouts including cost, programme, opportunity and risk.
3. An assessment of the role of modular construction in achieving the key project objectives.
4. A list of agreed key assumptions in respect of each option.

Strategy 1– Option 1D Cost Cleanse.

An extensive series of workshops were held with the supply chain to interrogate tender returns in detail, including rates and quantities and the impact of the location and island setting on costs across all packages. In addition, a series of value engineering workshops were held to review materials and specifications to identify opportunities for cost savings which do not compromise performance or finish. This strategy also saw a comprehensive review of the 1D construction programme including a review of resources (operatives) required and logistics.

The Option 1D cost, as at the date of this report, is £68.5m. This figure **includes** targeted value engineering and scope savings of £6.44m including the following:

1. Quarries are opened up on island to provide aggregate
2. A Modular Type build strategy implemented for Housing with Extra Care
3. External facade savings
4. Mounding on site
5. Revisions to parking provision
6. Alternative suppliers and buying gains
7. Scope reduction of approx. 185m2 of GIFA
8. Programme efficiencies through a peak workforce of 60 operatives

The figure **excludes** the following:

- £2.827m Authority and Equipment costs
- Inflation above BCIS (Building Cost Information Service published November 2021) at Quarter 2 2023 for Options 1D, G2, H and H2. For Option E6 inflation above BCIS has been taken to Quarter 2 2024.
- Provision for a temporary sports hall

The table below provides a snapshot of the cost plan figures noted for Option 1D and their respective programmes from February 2021 to the date of this report.

Option 1D	Feb 2021	Aug 2021	Nov 2021
£m	51.75	85.4*	68.5
Programme	109 weeks	176 weeks	151 weeks

*This figure had not been subject to full due diligence by the Cost Advisors

The underlying reasons for the movement between the February 21and Aug 21 figures were included in a previous report to the Project Executive Board (Appendix 1) and the key points are summarised in the table below:

Key assumptions Feb 2021	February 2021	Why has this changed	Key assumptions July 2021	Impact
Programme	109 weeks	Schools Decant programme has increased by 27 weeks due to shortage of building materials and change in scope, including advanced instruction to proceed with consideration of the Craigston site. Construction programme has increased by 67 weeks due to workforce constraints, revised rock removal strategy, material availability and site level challenges. Overall programme impact is an increase of 67 weeks.	Programme 176 weeks	£8m






Market Costs - Appraisal of market conditions and supply chain interest – based on a build approach with modular strategies	Location factor 49%	Design has been developed enabling engagement and pricing from the potential supply chain to reflect current market conditions Pricing received from the supply chain reflecting the impact of COVID and BREXIT	Location Factor 57 %	£7m
Scope – integrated campus on north side of road with sports and community facilities south	GIFA – 7,053m ²	Changes in scope driving an increase in gross internal floor area (Police Scotland, 2 add classrooms, storage, dirty utility); offsite improvements to utilities infrastructure-	GIFA – 7,258m ²	£2.1m
Schools Decant facilities	Capacity and programme based on 11 modules.	Increase from 11 to 16 modules plus additional scope. Addition of 0 to 2 yr. age group, additional teaching space to meet timetabling requirements, additional staff space.	New Capacity and programme based on 16 modules.	£1m
Site conditions- what was the assumptions related to site conditions	Rock. Drainage. Materials to be tipped. Availability of aggregate	SEPA confirmed requirement for attenuation increasing rock removal by 1,500m ³ . Approach to logistics also changed following detailed discussions with supply chain.	Same site	£7m
Inflation	3 rd Quarter 2021	1 years additional inflation based on industry indices.	3 rd Quarter 2022	£2m

Strategy 2 – Further option appraisal

The reassessment exercise allowed the collaborative team to revisit and challenge a number of project constraints and to consider revised layouts and further efficiencies.

A change in the SEPA position, notified just prior to the commencement of the reassessment period, created an opportunity for land previously in the fluvial (water courses and culverts) flood risk area to be released for development.

The work in this strategy generated eleven alternative variations on the site layout. This was subsequently reduced to four, retaining 1D as the fifth and baseline option. The five options are summarised below:

Option D (current layout)	Option G2	Option H	Option H2	Option E6
Education, community, health and social care located North of A888. Sport facilities located to the South.	Health and social care located North of A888. Education, community and sport facilities located to the South. Linear layout.	Health and social care located North of A888. Education, community and sport facilities located to the South. L shape layout.	Option H revised programme	Health and social care located on croft land. Education, community and sport facilities located South of the A888 with L shape layout. 7 a side 3G pitch located on existing school land and former primary school area used for parking.
				

All the variant options see education, community and internal sports facilities located to the south of the A888. This minimises the need for staff and learners to cross the road to make use of sports and hall facilities and addresses some key concerns of the local community. This layout also reduces and, in respect of Options H2 and E6, eliminates, the need for schools decant.

A further benefit is that by providing the health and social care buildings on the north side of the road (options G2, H and H2) allows them to be set above the existing rockhead, negating the need for extensive rock extraction here; while south of the road, the need to keep floor levels above the flood risk area, means that rock excavation is also avoided, although some fill may be required to the southern edge of the education building, dependent on option.

Options G2, H and H2 all require either the grass football pitch or the all-weather pitch to be located off site.

The four variant options have each been developed in parallel consultation with SEPA and CnES Planning and Floods Departments. In addition, massing studies were issued to CnES Planning and Historic Environment Scotland and potential parking layouts issued to CnES Roads. A stakeholder workshop was held with the Barra and Vatersay Sports Forum to assess the implications of the potential relocation of the grass football pitch.

Key advantages and disadvantages have been identified for all options and an overall technical risk profile score has been established for each. Risk profile scores have been arrived at following a series of technical risk workshops which scored 89 individual risks across all 5 options. The technical risk scores are provided in the Programme and Cost Plan Summary; the higher the risk profile score the greater the technical risk to delivery.

A series of assumptions have been recorded which are essential in understanding the approach taken to developing the basis of each option. The most significant of these are:

- Option 1D – full decant based on Castlebay option.
- Option E6 - acquisition of land for permanent works to be arranged by CnES by Commercial Close.
- Option G2 & H - Partial decant (Early Years, Children's Centre and Primary) to existing site at Eoligaray Primary School enabling new health facilities to be completed as soon as possible. Existing secondary remains open (excluding sports and pool) until new BVCC facility is complete.

Options 1D and G2 make no provision for a sports hall or temporary swimming pool. Should this be a requirement then a cost allowance should be added to the relevant cost plans. An estimated cost for a standard, unheated facility suitable for use as a temporary sports facility is in the region of £960,000 (excluding any utility upgrading or site abnormalities). This is included in the summary table below.

A delivery programme from Financial Close to Practical Completion has been developed for each option, with a nominal baseline date of April 2023 for Options 1D, G2, H and H2. The baseline date for Option E6 has a further 12 months added to take account of the risk of delay associated with the land acquisition required for this option. hNSL will work with NHSWI, the IJB and CnES to develop this further and take into account their appraisal, decision making and governance timescales when confirmed.

Cost plans have been developed for each option, based on the cleansed Option ID cost plan, which, following the comprehensive interrogation undertaken as Strategy 1 of the Reassessment Programme, provides a robust and evidenced cost base.

The table overleaf sets out the key outputs from Strategy 2:

Programme and Cost Plan Summary

	Feasibility Programme (March 20)	Option 1D	Option E6 *see below note on land acquisition risk	Option G2	Option H	Option H2 (Alternative Construction Sequence)
NPR Agreement	Oct 2020	Feb 2022	Feb 2022	Feb 2022	Feb 2022	Feb 2022
Stage 1 Commencement	Nov 2020	Mar 2022	Mar 2022	Mar 2022	Mar 2022	Mar 2022
Financial Close	Dec 2021	Jul 2023	Jul 2024	Jul 2023	Jul 2023	Jul 2023
On Site Works Commence	Jan 2022	Jan 2024	Aug 2024	Aug 2023	Aug 2023	Aug 2023
NHS Building Ready for Use	Nov 2023	Dec 2026	Sep 2025	May 2025	Apr 2025	Nov 2026
Education Ready for Use	Nov 2023	Dec 2026	Jun 2026	Jun 2025	Jul 2025	Jun 2025
Sports & Pool Ready for Use	Jun 2023	April 2025	Jun 2026	Jun 2025	Jul 2025	Jun 2025
HwEC	Dec 2023	Dec 2026	Sep 2025	Jul 2026	Aug 2026	Sep 2026
Overall Practical Completion	Mar 2024	Dec 2026	Feb 2027	Jul 2026	Aug 2026	Sep 2026
Total Build Period from the Start of On-Site Works	109 Weeks	151 Weeks	132 weeks	153 weeks	156 weeks	172 weeks
Decant Requirements	Full	Full Decant	Children's Centre Only	Partial Decant	Partial Decant	Children's Centre Only
Duration with No Sports & Pool Facilities	70weeks	62weeks	N/A	95weeks	98weeks	N/A
Tech Risk Score (Mitigated)	N/a	848	743	871	871	774
Cost Plan	N/a	£68.5m	£60.74m	£66.39m	£66.07m	£64.39m
Temp Sports Hall Provision	N/a	£0.96m	0	£0.96m	£0.96m	0
Total incl. Temp Sports Provision and Inflation	N/a	£69.46m	£60.74m	£67.35m	£67.03m	£64.39m

Note:

- Allowances have been made in all options for waste to be disposed of on-island (requiring an on-island tip facility).
- All financial figures are exclusive of £2.827m Authority and Equipment costs.
- Option E6 has a significant land acquisition risk. Financial Close programme has been extended by one year to make provision for this.
- A modular assessment has been carried out as a separate exercise – see Strategy 3

Strategy 3 – Modular Assessment

A modular approach is seen as providing significant potential benefit to:

- Construction quality
- Programme
- Logistics
- Cost
- Speed of procurement
- Overall site environment
- Reduced construction disruption

The reassessment programme has provided an opportunity for a complete review of all options and the Modular approach was one which the team were keen to investigate in more detail to understand if the benefits could be realised.

Premier Modular were appointed as modular partner for the reassessment exercise and attended the collaborative design team meetings and workshops. This resulted in a feasible solution which then enabled a cost plan and programme to be developed by the hNSL team.

In tandem with this work a detailed logistics assessment was carried out with logistics partners Green Marine based in Orkney to ascertain the most efficient route for transportation of the modules covering road, sea, harbour and craneage challenges. This makes use of harbour facilities at Kishorn to Ardnaveenish on Barra.

The full Premier Modular report is included at Appendix 10. The conclusion of this exercise is that a fully modular build approach to deliver the BVCC project would have a cost of £77.41m. It therefore would not realise the anticipated benefits detailed above, in the main due to the elements of the campus which could not be delivered as modular components (envelope, roof etc) and the requirement for traditionally built elements (pool and sports hall) together with the added logistical costs of such an approach.



We will continue to investigate the potential of incorporating the on-island modular manufacturing resource into the project during Stage 1.

Strategy 4 – Baseline Assessment

The production of a Cost Plan stripping out all the site-specific project abnormalities and location factor in order to gain an understanding of the added premium for delivering the project on Barra when compared with a site located in the central belt. This will inform the LEIP modelling exercise. In parallel the exercise will identify the impact of inflation specifically to inform the NHS funding position. The cost plan for this assessment is included at Appendix 11 and totals £30.46M

Next Steps

A programme to commercial close which enables the project to commence on site as quickly as possible has been developed and is included at Appendix 2.

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PROJECT UPDATE NOTE – 24 January 2022

INTRODUCTION

- 1.1 A copy of the progress report considered by the Comhairle on 8 December 2022 is available using the following link:

[BVCC Report – Policy and Resources Committee 8 December 2022](#)
- 1.2 A recording of the Committee is available using the following link; consideration of the BVCC project is in the footage from 01:35:44 to 01:54:52

[YouTube Recording - Policy and Resources Committee 8 December 2022](#)
- 1.3 From this it can be seen that the reassessment exercise being undertaken in collaboration with hubNorth Scotland Ltd is substantially complete and it is hoped that what will very likely be a revised preferred layout option for the Community Campus will be identified in the next 2-3 weeks.
- 1.4 A series of meetings with project stakeholders, specifically community representatives and CnES, NHSWI, Health & Social Care, HHP, Police Scotland and Barra Children's Centre service managers has been scheduled for 19 January and w/c 24 January 2022.
- 1.5 This briefing note complements the presentation being made to these meetings.

REASSESSMENT EXERCISE – BACKGROUND AND OUTCOMES

- 2.1 The key elements of the stakeholder engagement meetings are to provide community representatives and relevant service managers with an update on the progress of the Community Campus project; specifically:
 - The rationale for the Reassessment Exercise undertaken by hubNorth Scotland Ltd
 - A description the current outcomes of the four key elements of work as part of the Reassessment Exercise
 - A consideration of a short-list of layout options and the likely revised preferred option
 - To seek feedback on the outcomes of the Reassessment Exercise
 - To provide a summary of the anticipated "Next Steps"
- 2.2 As an aide-memoire, details of the original preferred option (Layout Option 1D) are included below.
- 2.3 A project investment business case was submitted to Scottish Government in February 2021, indicating a Cost Plan of £53.9m, a funding package at that time of £51.0m, a resultant funding shortfall of £2.9m and a project completion date of May 2024.



Site Layout



External Appearance

- 2.4 The development of a revised Cost Plan issued by hNSL in July 2021 indicated a significant increase in cost to £81.5m and in delivery programme from three years to five years; the primary reasons being increases in:
- The scope of campus accommodation
 - The scope and cost of decant accommodation compared to what had been envisaged
 - The length of delivery period and construction programme, impacting on contractor fixed costs and construction inflation
 - The cost of key construction materials due to COVID and Brexit
 - The availability and appetite of subcontractor supply chain to work on Barra
 - Additional earthworks re fluvial flood attenuation

2.5 To maintain the momentum of the project, the scope of a Reassessment Exercise was proposed by hNSL and approved by the Project Executive Board in July 2021; the key elements for reassessment and review being:

- Workstream 1 - Review of Option 1D Cost Plan
- Workstream 2 - Development of alternative layout options
- Workstream 3 - Modular Construction
- Workstream 4 - Cost Benchmarking
- Publication of Reassessment Exercise Report by end November 2021

WORKSTREAM 1 - REVIEW OF OPTION 1D COST PLAN

2.6 In applying further scrutiny and review of the original preferred option (Layout Option 1D) and the July 2021 Cost Plan, the key elements of Workstream 1 were:

- Engagement with and commitment from current and wider supply chain; level of detail provided to be greater than normally in place for hNSL Stage 1
- Input from potential supply chain to proposed design and specification of original preferred option
- Value Engineering - review of specification of key construction elements, materials and methodology, eg main structural framing, cladding and walling, and M&E systems
- Workforce resourcing and impact on construction programme
- Alternative logistics strategy - transportation of materials to island and on-island storage

2.7 The resultant revised Cost Plan for Option 1D is £71.3m.

WORKSTREAM 2 - DEVELOPMENT OF ALTERNATIVE LAYOUT OPTIONS

2.8 In seeking to develop, initially, a long-list of alternative layout options, consideration was given to what was perceived by some as shortcomings and areas of concern associated with Layout Option 1D:

- Wanting to minimise or even eliminate need for decant of, and disruption, to school
- Loss of existing sports facilities for construction period; need to provide temporary games hall and fitness suite; loss of swimming pool
- Road safety and traffic management issues re A888
- Design and external appearance of proposed Layout Option 1D
- Efficiency of construction and operation – wider use of single storey layout not efficient in terms of construction and operation
- Development under one roof - public concerns re privacy
- Development under one roof - operational concerns re feasibility of standardisation and integration of facilities and services
- Seeking to attempt to constrain development onto land in Comhairle ownership
- Need to improve efficiencies re earthworks and balance of cut and fill

2.9 A number of key attributes were therefore pursued in the development of a long list of a total of 12 alternative layout options:






- The aspiration to retain the full scope of proposed campus - nothing to be reduced or deleted
- Retain principle of community campus development in Castlebay but seek some physical separation between key elements
- Include consideration of acquiring additional land
- Construction programme to avoid need for decant accommodation
- Increased collaboration with SEPA and CnES Planners re flood risk management and appearance and "massing" of buildings

Community Stakeholders and Service Managers

2.10 The long list of layout options was then refined down to a short list of four layout options by their evaluation against the above key attributes. The short list of layout options comprised:

- Layout Option 1D (original preferred option)
- Layout Option G2
- Layout Option H and H2 (identical layout but alternative construction programming)
- Layout Option E6

2.11 Details of each of these layout options are included in the annex to this briefing note and are summarised below

Option D (current layout)	Option G2	Option H	Option H2	Option E6
Education, community, health and social care located North of A888. Sport facilities located to the South.	Health and social care located North of A888. Education, community and sport facilities located to the South. Linear layout.	Health and social care located North of A888. Education, community and sport facilities located to the South. L shape layout.	Option H revised programme	Health and social care located oncroft land. Education, community and sport facilities located South of the A888 with L shape layout. 7 a side 3G pitch located on existing school land and former primary school area used for parking.
				

2.12 Each of the shortlisted layout options were then developed and evaluated on the basis of the following criteria:

- Cost
- Programme
- Need for decant strategy
- Impact on sports provision during build period
- Risk Profile, Advantages and Disadvantages
- Buildability, construction methodology and logistics
- Layout-specific site “abnormals”

2.13 A summary of the estimated key milestone dates and Cost Plans is included in Table 1 below. **It must be emphasised that, at the time of writing, these are indicative and remain subject to clarification – they are provided merely to give an indication of the relative timescales and costs for the listed layout options.**

	Financial Year	Option 1D	Option E6	Option G2	Option H	Option H2
Financial Close	December 2021	July 2023	July 2024	July 2023	July 2023	July 2023
On Site Works Commence	January 2022	January 2024	August 2024	August 2023	August 2023	August 2023
Overall Practical Completion	March 2024	December 2026	February 2027	July 2026	August 2026	September 2026
Total Cost	£53.9m	£72.3m	£63.5m	£70.2m	£69.8m	£67.2m

Table 1: Summary of Cost Plans and Milestone Dates
(NB: Currently indicative and for comparison purposes only)

WORKSTREAM 3 – MODULAR CONSTRUCTION

- 2.14 The purpose of this workstream was to investigate the feasibility of an increased utilisation of off-site manufacturing and modular construction in the development and delivery of the project. The potential benefits at the time were seen as:
- Construction quality
 - Programme
 - Logistics
 - Cost
 - Speed of procurement
 - Overall site environment
 - Reduced construction disruption
- 2.15 A design and transportation logistics study was undertaken by hNSL in collaboration with Robertson Construction (main works contractor), Premier Modular (modular construction specialist) and Green Marine (marine logistics specialist). The key elements of the workstream were:
- Design and manufacture of modular units ensuring adherence to proposed layouts
 - Land and marine transport and logistics - East Yorkshire to Castlebay
 - Construction methodology issues - significant on-site works still required
 - Cost Plan and Delivery Programme
- 2.16 Unfortunately, through this workstream it became apparent that the suggested level of offsite fabrication and modular construction would result in higher project costs by some 10%. There will however be a continuing consideration of the use of these forms of construction in the development and delivery of the project, albeit not to the extent originally envisaged, eg timber-frame components, wall cladding systems, and preassembled mechanical and electrical equipment and services.

WORKSTREAM 4 – COST BENCHMARKING

- 2.17 The rationale for Workstream 4 was the production of a Cost Plan stripping out all the site-specific project abnormal and location factors in order to gain an understanding of the added premium for delivering the project on Barra when compared with a site located in the central belt:
- To inform the Scottish Government Learning Estate Improvement Programme (LEIP) modelling exercise at programme and project level
 - To identify the impact of inflation, specifically to inform the Scottish Government Health and NHS funding position.
 - Benchmarking has also been included in this exercise to compare against similar projects
- 2.18 The conclusion of this was that it was estimated that the cost of delivering a similar construction project on typical central-belt site would be less than 50% of the estimated on-island cost. Depending on the layout option and its estimated project cost, the geographic uplift on project costs range from about 50% to just under 60%.

CONCLUSIONS AND NEXT STEPS

- 3.1 Following further scrutiny and challenge of the Cost Plan associated with the original preferred option, Layout Option 1D, the revised estimated cost is £71.3m.
- 3.2 The development of a series of alternative layout options formed the main part of the Reassessment Exercise undertaken by hNSL. Cost Plans and Delivery Programmes were developed for the short-listed layout options and total project costs and milestone dates for each layout option were estimated.
- 3.3 Whilst Option E6 appears to be the most cost-effective solution, challenges associated with the need to acquire land pose a risk to the project in terms of cost and, more specifically, programme.
- 3.4 At the time of writing, the Comhairle and NHSWI Project Directors are seeking clarification from hNSL on a small number of remaining points in the Reassessment Exercise Report and their recommendations relating to the identification of a revised preferred option, informed by the currently ongoing engagement with community representatives and service managers (weeks commencing 17 and 24 January 2022), will be considered in the first instance by the Project Executive Board and thereafter by the NHSWI Board and the Comhairle.
- 3.5 Also at the time of writing, the original funding package of £51.0m and the allocation of costs between the principal project shareholders are being reassessed to ascertain the scope for additional funding contributions from the respective bodies.
- 3.6 Only once the necessary decisions have been taken through these governance arrangements will a revised investment business case be submitted to the relevant Scottish Government directorates and the Scottish Futures Trust.
- 3.7 The immediate term next steps and milestone dates are planned as:
 - Community Advisory Stakeholder Group - Wednesday 19 January 2022
 - Assurance Group and Service Managers Engagement - w/c 24 January 2022
 - NHS Western Isles Board – w/c 24 January 2022
 - Publication of finalised Reassessment Exercise Report; assessment of revised funding package and project affordability – w/c 31 January 2022
 - Project Executive Board - Thursday 3 February 2022 - identification of revised preferred option
 - Policy & Resources Committee and Comhairle nan Eilean Siar - Wednesday 9 February 2022
 - SG Directorates and Scottish Futures Trust - by end February 2022
 - Instruction to proceed to hNSL Stage 1 - beginning March 2022

Layout Features

Education, community, health and social care located north of A888; Sport Facilities located to the south of the A888.

Decant Configuration

Full decant required for Nursery, Early Years, Primary School, and Secondary School



Advantages

- ✓ Grass pitch retained
- ✓ Avoids construction on flood risk area
- ✓ Strong connections across facilities

Disadvantages

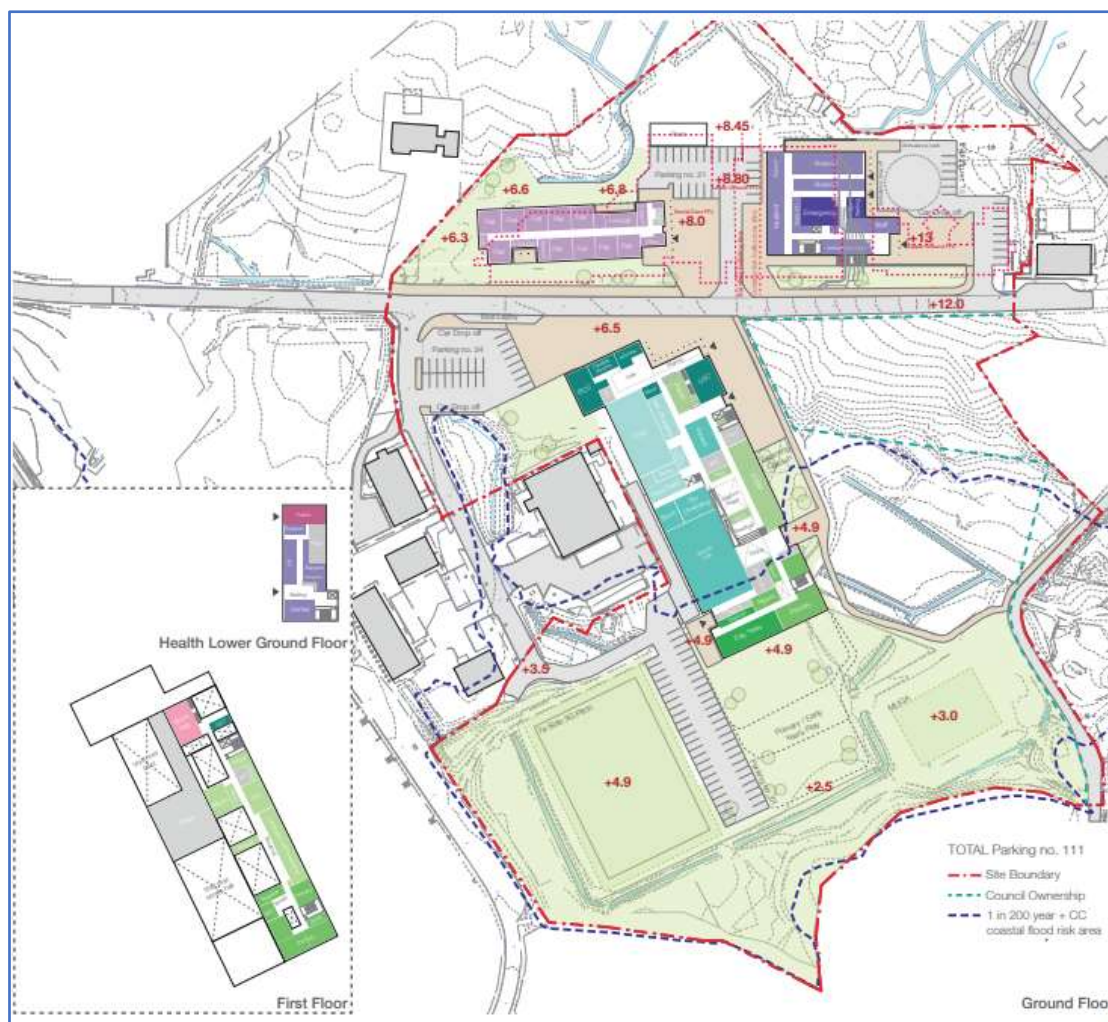
- X Full decant of school, games hall and fitness suite required
- X No swimming pool available during construction period
- X Pupils require to cross A888 to access sports facilities

Layout Features

Health and social care located North of A888. Education, community and sport facilities located to the South. Linear layout. Primary decanted to Eoligarry then phased demolition with primary first enabling its quickest construction.

Decant Configuration

Decant required for Nursery, Early Years and Primary School.



Advantages

- ✓ Reduced massing
- ✓ Reduced extent of civils works
- ✓ Efficient layout
- ✓ Good connections across facilities

Disadvantages

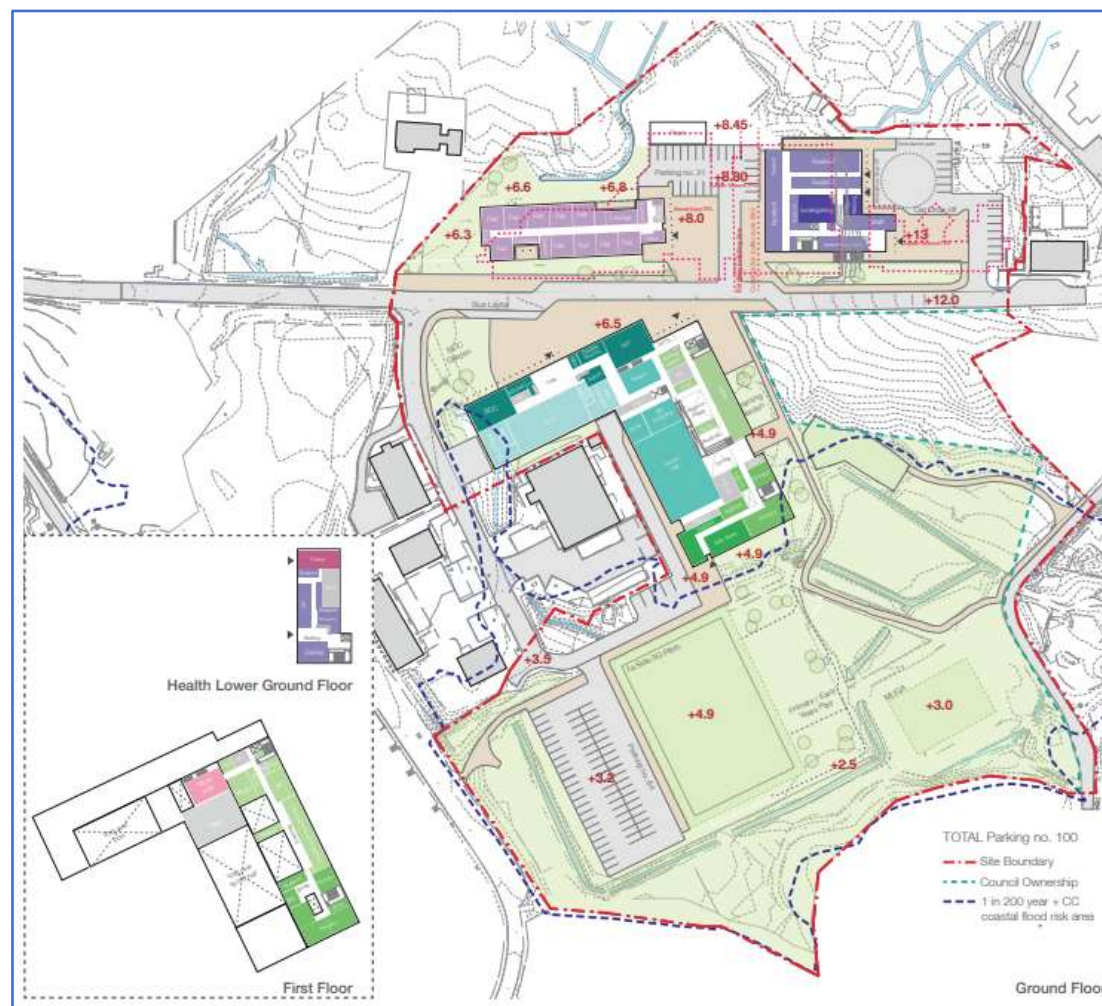
- X Requires construction on the flood risk area
- X Feasibility of locating grass pitch outwith Castlebay
- X Pool out of use for 104 weeks during construction
- X Partial decant (Primary only) required

Layout Features

Health and social care located North of A888. Education, community and sport facilities located to the South. L-Shaped layout. Primary decanted to Eoilgarry. Phased construction allows health element to be built in advance, after primary school demolition.

Decant Configuration

Decant required for Nursery, Early Years and Primary School.



Advantages

- ✓ Reduced massing
- ✓ Reduced extent of civils works
- ✓ Parking retained within land with CnES ownership
- ✓ Decant works on land within CnES ownership

Disadvantages

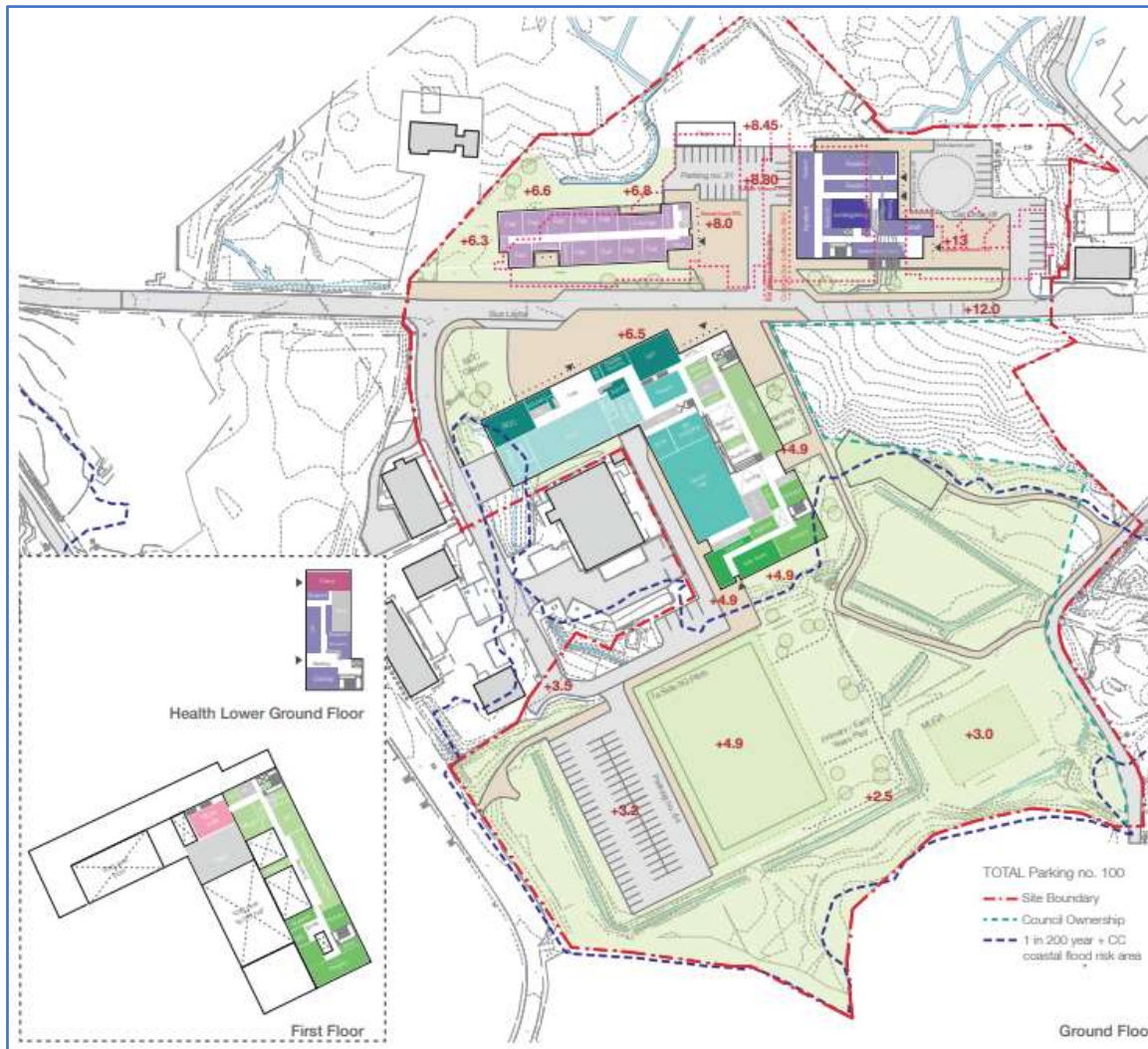
- X Phased demolition and construction
- X Requires construction on the flood risk area
- X Requires grass pitch to be relocated outwith Castlebay
- X Pool out of use for 104 weeks during construction
- X Partial Decant required to Eoilgarry

Layout Features

Health and social care located North of A888. Education, community and sport facilities located to the South. L-Shaped layout.
Revised programme: finish education and sports facility first then demolish existing to construct health and HWEC facility.

Decant Configuration

Only Children's Centre



Advantages

- ✓ Only decant for Children's Centre required
- ✓ Existing pool and games hall remain open
- ✓ No acquisition of land required
- ✓ Phasing assists in maximising labour output

Disadvantages

- X NHS elements are delivered later (although still within Option D prog)
- X Requires construction on the flood risk area
- X Requires grass pitch to be relocated outwith Castlebay

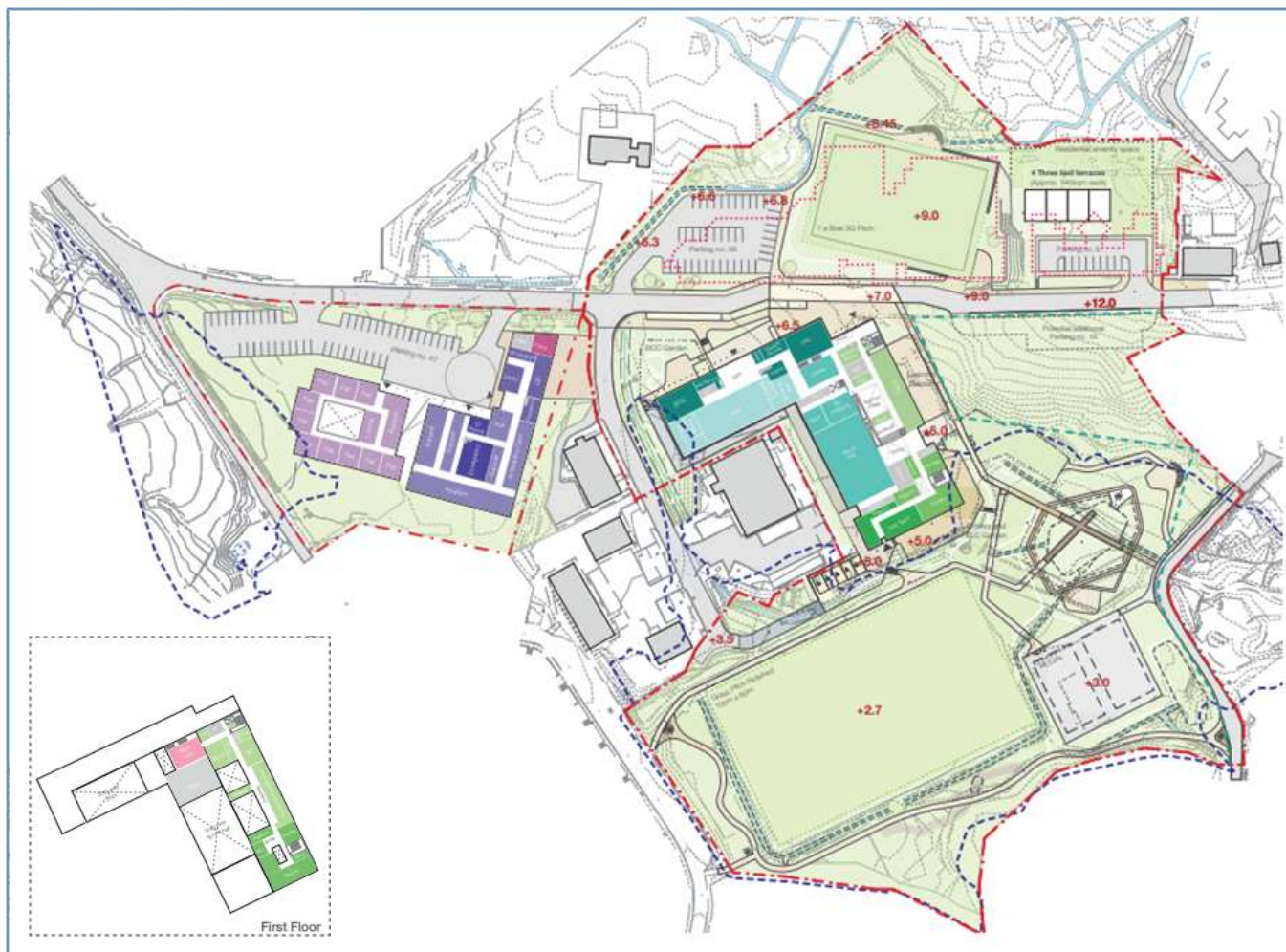
Layout Features

Health and social care located on croft land adjacent to the site. Education, community and sport facilities located south of the A888.

L-Shaped layout. Retention of existing grass pitch. All-Weather Pitch on north side of A888. Potential for redevelopment of site of existing Primary School for affordable housing.

Decant Configuration

Only Children's Centre



Advantages

- ✓ Only decant for Children's Centre required
- ✓ Existing Pool and Sports remain open
- ✓ Potential to accelerate health construction
- ✓ Potential for additional affordable housing by HHP

Disadvantages

- X Requires acquisition of adjacent croft and property
- X Longer delivery period

**Joint Statement from Northbay and Castlebay & Vatersay Community Councils
(February 2022)**

From: [Northbay Community Council NCC](#)
To: [Iain Mackinnon - ID](#); [moira.anderson](#); [gordon.jamieson](#); [Malcolm Burr](#); [Cllr. Donald Manford](#); [Cllr. Iain A. MacNeil](#); [Cllr. Paul F. Steele](#); [Cllr. Calum MacMillan](#)
Cc: [Castlebay Council](#)
Subject: BVCC Reassessment exercise - Joint Community Council feedback.
Date: 02 February 2022 23:55:17

WARNING: THIS EMAIL CAME FROM OUTSIDE THE COMHAIRLE; PLEASE TREAT HYPERLINKS OR ATTACHMENTS WITH CAUTION. CONTACT THE IT HELPDESK IF IN ANY DOUBT.

Dear All

Following the Community Advisory Stakeholder Group meeting with Malcolm Burr and Iain MacKinnon, 19th January, both Castlebay & Vatersay Community Council and Northbay Community Council are relieved to see the project board have made steps to incorporate the views of the community in their most recent design proposals.

It is reassuring to see that, following the reassessment exercise, the list of options has been evaluated and risk profiled with the key advantages, and disadvantages to our community.

From the options presented, E6 is, in principle, the only viable option to our community, although qualified, as the design details of the proposal have yet to be provided.

We would urge the project board to recommend and the elected members to support this as the preferred option.

Whilst we feel the reassessment exercise and the recent stakeholder meeting has made positive steps forward, we would like to note our disappointment with the continued lack of engagement from NHSWI.

Kind Regards

Northbay Community Council &
Castlebay & Vatersay Community Council