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## **Education, Children's and Leisure Services Committee**

Monday, 07 November 2022

**NOTICE IS HEREBY GIVEN** that a Special Meeting of the **Education, Children's and Leisure Services Committee** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Monday, 07 November 2022** at **09:30**.

### **BUSINESS**

1. **Sederunt**
2. **Declaration of Group Decisions and Members Interests \***
- 3.\* **Learning Estate Strategy and Delivery Programme** **5 - 74**  
Report by Depute Chief Executive (Education, Communities and Organisational Development)

**Only items marked \* can be considered and determined  
by all members of the Committee**

### **Summary of Education, Children's and Leisure Services Committee**

To exercise all the functions of the Council as Education Authority within the terms of relevant legislation with regard to school education, nurseries and child care, Gaelic, children's services, leisure, libraries and museums, sport and the arts, CLD, life long learning, youth justice and child protection.

**Any person wishing to attend the meeting should contact customer services on 01343 563217 prior to the meeting as the number of attendees is restricted due to the recent Covid pandemic**

**You can however watch the webcast of the meeting by going to :  
[http://www.moray.gov.uk/moray\\_standard/page\\_43661.html](http://www.moray.gov.uk/moray_standard/page_43661.html)**

<b>GUIDANCE NOTES</b>
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- \* **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

# **THE MORAY COUNCIL**

## **Education, Children's and Leisure Services Committee**

### **SEDERUNT**

Councillor Kathleen Robertson (Chair)  
Councillor Bridget Mustard (Depute Chair)

Councillor James Allan (Member)  
Councillor Neil Cameron (Member)  
Councillor Tracy Colyer (Member)  
Councillor John Cowe (Member)  
Councillor Juli Harris (Member)  
Councillor Sandy Keith (Member)  
Councillor Scott Lawrence (Member)  
Councillor Marc Macrae (Member)  
Councillor Paul McBain (Member)  
Councillor Derek Ross (Member)  
Councillor Sonya Warren (Member)  
Councillor Ben Williams (Member)

Mrs Sheila Brumby (Non-Voting Member)  
Mrs Anne Currie (Non-Voting Member)  
Mr Alfie Harper (Non-Voting Member)  
Reverend Tembu Rongong (Non-Voting Member)  
Mrs Susan Slater (Non-Voting Member)  
Ms Angela Stuart (Non-Voting Member)  
Mrs Emma Tunnard (Non-Voting Member)

Clerk Name:	Tracey Sutherland
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Clerk Email:	committee.services@moray.gov.uk



**REPORT TO: SPECIAL EDUCATION, CHILDREN'S AND LEISURE SERVICES  
COMMITTEE 7 NOVEMBER 2022**

**SUBJECT: LEARNING ESTATE STRATEGY AND DELIVERY PROGRAMME  
– MORAY SUBMISSION FOR LEARNING ESTATE  
IMPROVEMENT PROGRAMME PHASE 3 FUNDING**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND  
ORGANISATIONAL DEVELOPMENT)**

## **1. REASON FOR REPORT**

- 1.1 The report seeks a decision on the priority to be allocated to the submissions to Scottish Government for Learning Estate Investment Programme Phase 3 funding in October 2022.
- 1.2 This report is submitted in terms of Section III (D) (1) of the Council's Scheme of Administration relating to all the functions of the Council as Education Authority.

## **2. RECOMMENDATION**

- 2.1 **Following on from the decision of the Council on 28 September 2022 to submit two bids for Scottish Government Learning Directorate Learning Estate Investment Programme (LEIP) Phase 3 funding, in accordance with the bid criteria, it is recommended that, whilst recognising the importance of both projects, Committee:**
  - i) **agrees that the Forres Academy Project is identified as the priority project in the LEIP Phase 3 funding bid process; and**
  - ii) **recommends to Moray Council that the decision is endorsed at the Special Meeting on 7 November 2022.**

## **3. BACKGROUND**

- 3.1 **Scottish Government Learning Estate Investment Programme**  
In September 2019, the Scottish Government published their new Learning Estate Strategy which set out a collective vision of "a Learning Estate which supports Excellence and Equity for all". Alongside the publication was the launch of the first phase of the Learning Estate Investment Programme (LEIP). The Programme is designed to:

- Improve the condition of the school estate;
  - Support growth projects where there are no local condition priorities;
  - Establish links across the learner journey where appropriate;
  - Benefit 50,000 pupils to learn in condition A/B schools;
  - Enable the delivery of wider Scottish Government policy objectives, including the guiding principles of the Learning Estate Strategy; and
  - Support sustainable estate planning with clear investment and maintenance strategies.
- 3.2 To be successful, projects needed to connect people, places and learning, deliver improved outcomes for all and enable sustainable, inclusive economic growth. While there was a focus on improving the condition of the learning estate, the need to respond to demographic pressures was also recognised. Projects needed to meet the programme conditions and outcomes associated with high quality, suitable, sustainable, low carbon, digitally enabled learning environments. There was also an expectation of local political and financial commitment to investment.
- 3.3 Although the Council submitted a bid for the first phase of funding to support the Findrassie Primary School new build project, at that time the local Learning Estate Strategy was in the early stages of development and agreed priorities for investment in the learning estate were not yet available. The bid was unsuccessful.
- 3.4 The Scottish Government launched LEIP Phase 2 in December 2020. A more developed bid was resubmitted for the Findrassie Primary School project, which was successful.

### **Learning Estate Investment Programme – Phase 3**

- 3.5 In July 2022, Scottish Government wrote to all local authorities announcing Phase 3 of the LEIP, together with a set of updated strategic outcomes and associated terms and conditions. The Outcome Based Funding model will provide revenue funding on the achievement of a set of agreed outcomes. The outcomes for Phases 1 and 2 fell into four broad categories: condition; energy efficiency; digital connectivity; and economic growth and these will apply for Phase 3 too; a fifth outcome for Phase 3 is focused on embodied carbon. The premise of the funding model is that up to 50% of project delivery cost for the qualifying enabling infrastructure will be provided by LEIP as revenue funding over the operational life of the building (25 years), provided the key outcomes are met. The Council is required to make annual returns on performance against the outcomes, with funding dependent on achieving these throughout the 25 year period of the funding envelope.
- 3.6 All local authorities will be eligible to benefit from the new investment programme to sustain and improve the condition of their learning estate or respond to demographic changes. However, a project will only be eligible for funding on either a condition OR a demographic change basis, not both. The LEIP Phase 3 selection criteria set out by Scottish Government is at **APPENDIX 1**.
- 3.7 With approval of Full Council meeting on 28th September a LEIP Phase 3 bid submission was sent to Scottish Government prior to the closing date of close of business on Monday 31 October 2022. The submission supported future

options for both Buckie High School and Forres Academy with no preference for either project indicated. The outcome options of the bidding process are that:

- (a) both projects are successful in bid LEIP for Phase 3 funding;
- (b) one project is successful in bid for LEIP Phase 3 funding; or,
- (c) neither project is successful in bid for LEIP Phase 3 funding.

3.8 It has been agreed with Scottish Future Trust, who are managing the LEIP Phase 3 selection process on behalf of Scottish Government, that Moray would indicate a post bid prioritisation of projects following completion of the Buckie by-election. In the event of only a single project being successful it would be likely that the priority bid would be selected.

3.9 The Full Council on 28<sup>th</sup> September agreed to hold a Special Education Children's and Leisure Services Committee and Full Council on 7 November 2022 to determine the prioritisation of the submitted LEIP Phase 3 bids.

3.10 Projects selected to form part of LEIP Phase 3 will be expected to be open for pupils by December 2027 unless otherwise agreed at the start of the Phase. Projects which are anticipated to be open in advance of this date are 'very much encouraged'.

3.11 In addition, a submission for LEIP Phase 3 support will only be considered by the Scottish Government if there is evidence of political and financial commitment for a project through Committee approval.

#### **4. MORAY SCHOOL PROJECTS - LEIP PHASE 3 BID SUBMISSIONS**

4.1 At this stage of the LEIP Phase 3 programme process Council only needs to agree which school project should be prioritised for Scottish Government funding support. There is no requirement to select the detailed project infrastructure option, however, the detail regarding potential options will inform Member's understanding of the level of financial commitment required. The learning estate investment programme identified two candidate projects - Future Forres Academy and Future Buckie High School and the Council agreed to submit both. The project mandates for both these projects have been approved and respective Strategic Options Case developed for consideration by the Learning Estate Programme Board. These are attached at **APPENDIX 2** and **APPENDIX 3**. Currently both projects assume an operational date in the 2028/29 timeframe, however, if successful in their bids for LEIP Phase 3 funding an operational date at the end 2027 will need to be achieved, unless otherwise agreed with the Scottish Government.

4.2 A policy of 'make-do-and-mend' repair and maintenance was adopted in 2017 and followed previous years of under-investment in the Moray learning estate. The lack of investment has left a majority of schools below an acceptable standard for suitability and condition including Forres Academy and Buckie High School.

### Option 1 – Forres Academy

- 4.3 The current mainstream capacity of Forres Academy is calculated as 1121 with a school roll for 2022/23 session of 854 (76% of capacity). Of this 99% of pupils are from within catchment. A total of 40 pupils were assessed as requiring additional support needs, requiring access to enhanced provision support (2021/22 census – Additional Support Needs (ASN) marker report). With Kinloss Barracks sited in catchment these forecast pupil numbers are sensitive to the changing demographic of military personnel.
- 4.4 The Forres Associated Schools Group catchment is expected to experience growth in secondary school capacity requirements as a consequence of planned residential development to the South and the East of the town out to 2035. The school roll is expected to increase to a maximum of 997 (89% of capacity) towards the end of the decade. However, it is anticipated that the mainstream capacity will likely need to be reassessed in the medium term as a consequence of the desire for wider curriculum choice and additional space requirements for ASN accommodation, which would reduce the mainstream maximum capacity assessment for the school.
- 4.5 Forres Academy has recently been assessed as D for Condition – one of only two secondary schools in Scotland with that rating. This is a decrease from the previous assessment undertaken less than 10 years ago. This is despite significant investment over the last 8 years; to the value of £4.45M for capital works together with a further £550k of revenue spend on repairs and maintenance. This investment has not prevented recent serious flooding incidents relating to significant roofing and drainage issues. A breakdown of the condition assessment is set out in Table 1.

CONDITION SUMMARY MATRIX													
Good – A							Performing well and operating efficiently						
Satisfactory – B							Performing adequately but showing minor deterioration						
Poor – C							Showing major defects and/or not operating adequately						
Bad –D							Life expired and/or serious risk of imminent failure						
Elements													
Roof	Floors & Stairs	Ceilings	External Walls,	Internal Walls and Doors	Sanitary Services	Mechanical	Electrical	Decoration	Fixed Internal Facilities	External areas	Outdoor Sports	OVERALL SCORE	CATEGORY
D	D	D	D	D	D	B	C	C	C	C	C	39.75	D

**Table 1:** Condition Assessment (2021) - Forres Academy

- 4.6 Forres Academy is reported as a B for suitability. The last assessment was undertaken in 2013. The high level detail of this assessment is set out in Table 2.



Suitability Assessment - Forres Academy							
This sheet looks at the significance of each factor across the whole school, making troubleshooting more straightforward.							
weighting	25%	25%	15%	15%	10%	10%	100%
score out of 20	15	11	15	14	14	15	13.8
	General Learning & Teaching	Practical Learning & Teaching	Internal Social	Internal Facilities	External Social	External Facilities	Total:
Functionality	B	B	B	B	C	B	B
Accessibility	B	C	B	B	B	B	B
Environmental Conditions	B	C	B	B	B	B	B
Safety & Security	B	C	B	B	B	B	B
Fixed Furniture & Fittings	B	C	B	C	B	B	B
Total:	B	C	B	B	B	B	B

**Table 2:** Suitability Assessment (2017) - Forres Academy

- 4.7 An updated assessment was planned in 2020 but was cancelled due to the COVID pandemic. With the relaxation of COVID measures in school it is now intended to complete a re-assessment in the near future. It is anticipated that as a consequence of the D Condition there will be a reduction in the scoring within some areas of the suitability assessment, however we are not able to predict if this will result in a similar grade reduction.
- 4.8 Although the B/B condition/suitability could be achieved with a basic refurbishment of Forres Academy, the long term value for money opportunities offered by a major refurbishment, new build as a standalone or potential campus solution, would deliver a sustainable A/A school that meets the selection criteria for LEIP Phase 3 investment. There is also a need to consider the changing nature of teaching and drivers for digitally enabled education and low carbon school buildings, additional support needs and early learning and childcare when considering investment in the future Forres Academy project.
- 4.9 The indicative 10 year capital plan (2022-32) has assigned a capital spend of £66M to deliver a 'Forres Academy campus' within the 2028/9 timeframe.
- 4.10 Infrastructure options that are under consideration for Future Forres School project are set out in Table 2. In reviewing these options the following should be noted:
- Options 1.3, 1.4 and 1.5 fully meet LEIP Phase 3 selection criteria;
  - Option 1.2, although meeting baseline learning estate condition and suitability requirements, would not qualify for LEIP Phase 3; and
  - Option 1.4 falls into the LEIP Phase 3 criteria of a project that addresses both a condition and a growth issue. Either condition improvement or extension to meet increasing capacity demands would qualify for LEIP funding, but not both.
  - One of the sites considered for a new build school (Options 1.5 and 1.6) would be Roysvale common good land, which the Council would need to seek a court order and the agreement of the local community to

procure. In light of the risk that there is no guarantee that this would be possible within the required project timelines alternate sites will be considered.

Category of Choice	Description	Indicative cost Base cost (2022)	Indicative cost Inflation allowance cost (2026)
		£000	£000
1.1 Do nothing	No change to the current Learning Estate Continuation of make do and mend maintenance which is average of £625k per year.	£625k pa average	
1.2 Minimum scope	Meet secondary capacity requirements of Forres ASG with Minimum Refurbishment that addresses the requirement for minimum B standard condition.	24,700	31,000
1.3 Intermediate scope A	Meet the secondary capacity requirements of Forres ASG with Major Refurbishment that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.	69,600	91,100
1.4 Intermediate scope B	Meet the secondary capacity requirements of Forres ASG with Major Refurbishment with Extension that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.	74,500	95,400
1.5 Maximum scope A	Meet secondary capacity requirements of Forres ASG with a New Build Secondary School & Community Hub that addresses Digital and Low Carbon aspects, balances community and educational needs	60,500	79,200
1.6 Maximum scope B	Meet future secondary and future primary capacity requirements of Forres ASG with a New Build 3-18 Community Campus (integration of Applegrove Primary School with the new secondary school) that addresses Digital and Low Carbon aspects, balances community and educational needs in rationalising the estate.	66,900	87,400

**Table 2:** Project options and indicative capital costs - Forres Academy

### **Option 2: LEIP Phase 3 Submission – Buckie High School**

- 4.11 The current mainstream capacity of Buckie High School is calculated as 944 with a school roll for 2022/23 session of 836 (88% of capacity). Of this 98% of pupils are from within catchment. A total of 32 pupils were assessed as requiring additional support needs, requiring access to enhanced provision support (2021/22 census - ASN marker report).
- 4.12 The Buckie Associated Schools Group catchment is forecast to see an increase in secondary school capacity requirements as a consequence of planned residential development to the south and the west of the town out to 2035. The school roll is expected to increase to a maximum of 903 (96% of

capacity) towards the end of the decade. However, it is anticipated that the mainstream capacity will likely need to be reassessed in the medium term as a consequence of the desire for wider curriculum choice and additional space requirements for ASN accommodation, which would reduce the mainstream maximum capacity assessment for the school.

- 4.13 Buckie High School has recently been assessed as C condition – a decrease from the previous assessment 10 years ago. An investment' over the last 8 years to the value of £809k for capital works and £875k of revenue spend on repairs and maintenance has not improved the situation. A breakdown of the condition assessment is set out in Table 3.

CONDITION SUMMARY MATRIX													
Good – A													Performing well and operating efficiently
Satisfactory – B													Performing adequately but showing minor deterioration
Poor – C													Showing major defects and/or not operating adequately
Bad –D													Life expired and/or serious risk of imminent failure
Elements													
Roof	Floors & Stairs	Ceilings	External Walls,	Internal Walls and Doors	Sanitary Services	Mechanical	Electrical	Decoration	Fixed Internal Facilities	External areas	Outdoor Sports	OVERALL SCORE	CATEGORY
D	D	C	C	C	D	C	C	C	B	C	B	45.25	C

**Table 3:** Condition Assessment (2022) – Buckie High School

- 4.14 Buckie High School is reported as a C for suitability. This assessment was undertaken in 2017 the high level detail is provided in Table 4 below.

Suitability Assessment - Buckie High							
This sheet looks at the significance of each factor across the whole school, making troubleshooting more straightforward.							
weighting	25%	25%	15%	15%	10%	10%	100%
score out of 20	11	13	12	13	13	14	12.5
	General Learning & Teaching	Practical Learning & Teaching	Internal Social	Internal Facilities	External Social	External Facilities	Total:
Functionality	C	B	C	B	C	B	B
Accessibility	B	B	B	B	B	B	B
Environmental Conditions	C	B	B	B	B	B	B
Safety & Security	C	C	C	C	C	C	C
Fixed Furniture & Fittings	C	C	C	C	B	B	C
Total:	C	B	C	B	B	B	C

**Table 4:** Suitability Assessment (2017) – Buckie HS

- 4.15 The 2017 Suitability Assessment identified issues with Safety and Security and Furniture, Fixtures and Fittings that resulted in a C-rated assessment. A review of these specific issues highlights that specific improvements have

been made in these areas with the installation of CCTV, the upgrade to science practical areas, an ICT equipment refreshment programme and the demolition of external buildings. All these improvements would see an improvement to B-rated, as per the Table 5 below although a full on-site assessment would need to be undertaken to confirm this.

Suitability Assessment - Buckie High							
This sheet looks at the significance of each factor across the whole school, making troubleshooting more straightforward.							
weighting	25%	25%	15%	15%	10%	10%	100%
score out of 20	13	14	13	14	14	15	13.7
	General Learning & Teaching	Practical Learning & Teaching	Internal Social	Internal Facilities	External Social	External Facilities	Total:
Functionality	C	B	C	B	C	B	B
Accessibility	B	B	B	B	B	B	B
Environmental Conditions	C	B	B	B	B	B	B
Safety & Security	b	C	b	b	b	b	B
Fixed Furniture & Fittings	b	b	C	C	B	B	B
Total:	B	B	B	B	B	B	B

**Table 5:** Suitability Assessment (2017) (Moderated) – Buckie HS

- 4.16 Although the B/B condition/suitability could be achieved with minimum refurbishment of Buckie High School, the long term value for money opportunities offered by a major refurbishment, new build as a standalone or potential campus solution, would deliver a sustainable A/A school that meets LEIP project key requirements and the selection criteria for LEIP Phase 3 investment. As with Option 1, there is also a need to consider the changing nature of teaching and drivers for digitally enabled education and low carbon school buildings, additional support needs and early learning and childcare when considering investment in the future of the learning estate.
- 4.17 The indicative 10 year capital plan (2022-32) has assigned a budget of £75M to deliver a 'Buckie Campus' within the 2028/29 timeframe. Options that are under consideration are set out in Table 6.

Category of Choice	Description	Indicative cost	Indicative cost
		Base cost (2022)	Inflation allowance cost (2026)
		£000	£000
1.1 Do nothing	No change to the current Learning Estate No immediate significant maintenance costs predicted in next 12/24 months. Unknown situation thereafter. Forres figures give comparison at £625k per annum		
1.2 Minimum scope	Meet secondary capacity requirements of Buckie ASG with Minimum Refurbishment and Extension that addresses the requirement for minimum B standard condition.	24,100	30,125
1.3 Intermediate scope A	Meet the secondary capacity requirements of Buckie ASG with Major Refurbishment		

Category of Choice	Description	Indicative cost Base cost (2022)	Indicative cost Inflation allowance cost (2026)
		£000	£000
	and Extension that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.	67,100	84,700
1.4 Intermediate scope B	Meet secondary capacity requirements of Buckie ASG with a New Build Secondary School & Community Hub that addresses Digital and Low Carbon aspects, balances community and educational needs	66,600	84,100
1.5 Maximum scope	Meet future secondary and future primary capacity requirements of Buckie ASG with a New Build 3-18 Community Campus that addresses Digital and Low Carbon aspects, balances community and educational needs in rationalising the estate.	75,700	95,700

**Table 6:** Project options and indicative capital costs – Buckie High School

4.18 The following should be noted:

- Options 1.4 and 1.5 fully meet LEIP Phase 3 selection criteria;
- Option 1.2, although meeting baseline learning estate condition and suitability requirements, would not qualify for LEIP Phase 3; and
- Option 1.3 falls into the LEIP Phase 3 criteria of a project that addresses both a condition and a growth issue. Either the condition improvement or extension to meet increasing capacity demands would qualify for LEIP funding, but not both.
- The preferred site for a new build school (Options 1.4 and 1.5) would be land to the south of the current school. The majority of this land is already within the school grounds.
- Option 1.4 would be like-for-like replacement of the current school and community facilities. Option 1.5 provides significant opportunities to deliver the benefits of a 3-18 campus school and modern community hub; however, the development of these opportunities would require wide public engagement and consultation before they could be taken forward. This would require time to complete, which the LEIP 3 bid submission deadlines do not provide.

## **5. DISCUSSION ON LEIP PHASE 3 SUBMISSION OPTIONS**

- 5.1 The requirement for significant future investment to successfully deliver and maintain suitable secondary school capacity and capability in Forres and Buckie is acknowledged and both projects identified in this report are already in scope as part of the learning estate strategy, albeit later in the decade and with options for solutions and funding yet to be fully scoped and considered. However, given the cost of undertaking major construction works (new build or

refurbishment), LEIP Phase 3 provides an opportunity to accelerate one or both projects and benefit from significant Scottish Government funding support, which may not be forthcoming in future years.

- 5.2 If both project bids for LEIP Phase 3 funding support are successful the scale and scope of the challenge to deliver two secondary schools within the next 5 years should not be underestimated, neither, given that LEIP Phase 3 funding is facilitated through an outcome-based future revenue model, with the Council responsible for full capital funding, should the significant capital funding investment required over that same time period. The capital commitment for these projects would place constraints on the council's capacity to undertake other capital projects during the same timeframe. The LEIP funding model also entails significant on-going revenue costs to maintain LEIP funded schools at A or B condition, and this will require an increase in future schools maintenance budget.
- 5.3 Should a single project bid for LEIP Phase 3 funding support be successful the scale and scope of the delivery challenge is more manageable within current resourcing and the capital investment required over the next 5 years will be around half that of a two-project approach. A single LEIP Phase 3 approach does not remove the aspiration to ensure that both projects continue, albeit with longer delivery timeframes and consideration of a range of options to deliver the required outcomes.
- 5.4 If Moray is unsuccessful in gaining LEIP Phase 3 funding for either project the Council will still need to deliver improved secondary schools to meet requirements in both Forres and Buckie within the current or minor amendments to current project timeframes (currently planned as 2028 and 2029 respectively) rather than the LEIP timeframe. Meantime, the current approach would remain in place to maintain both schools as operational. If the schools were rebuilt or significantly refurbished then they would require to meet a minimum of B condition/ B suitability ratings in order to fulfil the objectives in the Council and Scottish Government strategies for learning estates of the future. The Council would have sole responsibility for financing the capital investment, with no revenue funding support from the Scottish Government. However, as the council would have full control to determine the design requirements the funding requirement for each project could be significantly less, given the substantial investment required to meet LEIP Phase 3 standards and to maintain them over the 25 year period of the funding envelope.
- 5.5 In determining a priority option for LEIP Phase 3 funding the following decision criteria have been considered: current and future building condition and suitability, future capacity requirements, alignment with LEIP Phase 3 criteria, affordability, benefits of accelerating project and time to deliver.
- 5.6 In terms of current and future building conditions, the recent Forres Academy surveys have identified that more than 50% of the condition criteria are rated as bad - that is 'life expired and/or at serious risk of imminent failure'. It is one of only two secondary schools in Scotland that has such a low condition rating. Despite investment of nearly £5M over the last 8 years the situation has not improved and indeed in most areas further deteriorated. It is estimated that a package of improvement works totalling £24M would be required to achieve

minimum B condition standard and further significant regular investment would be required to maintain this. Buckie High School is assessed as poor – that is ‘showing major defects and/or not operating adequately’. Significantly less investment has gone into the maintenance of Buckie High School and although there are some areas of concern these are significantly less than those at Forres Academy.

- 5.7 In terms of suitability assessments - that is fit for the purpose of delivering the education curriculum – it has been some time since Buckie High School (2017) was rated as C – that is ‘Poor - showing major problems and/or not operating optimally’. Forres Academy (2017) was rated as B – that is ‘satisfactory – performing well but with problems’. Updated assessments for both schools are required and were planned pre-COVID but due to accessibility issues were cancelled. These are to be re-scheduled within the near future with support from experienced officers from Aberdeenshire Council. The Buckie High School 2017 rating was related to Safety and Security (e.g. limited coverage of CCTV) and Furniture, Fixtures and Fittings issues (e.g. provision of audio-visual devices was patchy). As noted para 4.15 and Table 5 above a majority of the C-rated areas of concern are assessed to have been addressed and those remaining could be with only minor investment.
- 5.8 In terms of capacity requirements in the future, the situation at Buckie High School is clearer than Forres Academy. The impact of residential development planned to the west and south of Buckie is that the secondary school roll is forecast to rise to a maximum of 96% in 2029. Following completion of the planned Elgin High School extension in 2026 consideration could be given to relocating the modular classroom to the Buckie High School site to mitigate capacity concerns. School capacity is forecast to steady out beyond the end of the decade, but the forecast is less accurate beyond that timeframe. However, development is planned to continue out to 2035 so an extension to school capacity is anticipated as part of the current project plan. As stated earlier this situation may change as a consequence of increasing demand for enhanced ASN support and/or curriculum change but it is viewed as manageable within the current 28/29 project timescales.
- 5.9 The Forres Academy capacity is not expected to increase beyond 90% over the next 10 years. Although development to the east of the town, together with the same enhanced ASN and curriculum change requirements is anticipated, it is not considered that an extension would be required.
- 5.10 The Forres Academy project options meet all the LEIP Phase 3 criteria for full funding consideration (max 50% of qualifying value). With the major refurbishment with extension option for Buckie, the interpretation of the LEIP criteria indicate that only one element, the refurbishment or extension but not both, would qualify for LEIP Phase 3 funding.
- 5.11 Both projects have a similar cost model. The additional capital costs for the Buckie High School options have assumed a new swimming pool, whereas the current Forres swimming pool would be retained.
- 5.12 There are benefits of delivering both projects earlier than currently planned. However, the delivery of Forres Academy earlier would mitigate the risks



relating to the current school condition in terms of school operation and annual repair and maintenance costs. An earlier delivery of a future Buckie High School would, given the LEIP 3 delivery timelines, significantly reduce the time to develop the opportunities and understand the benefits of a 3-18 campus school and modern community hub proposed by Option 5 and to engage and consult with the community on these. current longer project plan, for example with a 2028/2029 operational date would factor for this.

- 5.13 The LEIP target date of end 2027 to deliver either project is a challenging. Any new build option in Buckie would seek to utilise land within the current Buckie High School boundary. A new build option for Forres Academy would require development land to be acquired. Although the choice to support the Forres-Applegrove campus option is the Roysvale common good land, there is a risk that efforts to acquire this land could extend the project delivery date beyond the end of 2027. Consequently other potential development sites will be investigated in the event that the Forres bid is successful.
- 5.14 Although a stated objective of LEIP 3 projects is project delivery by end 2027 it is not a mandated criteria. Should the Forres Academy bid be successful, early negotiations on project delivery date would take place with Scottish Government whichever preferred development site is selected.
- 5.15 The criteria to prioritise the acceleration of one project over the other shows that the differentiators between the Forres Academy and the Buckie High School projects are small; however, it is the current and future condition comparison that is viewed as the key factor in favouring one project over another. The prioritisation of Forres Academy rather than Buckie High School would mitigate the operational and financial risks associated with a building that is Condition D and, therefore, the priority option is recommended as Forres Academy.
- 5.16 In prioritising the Forres project for LEIP Phase 3 submission it is recommended that this should coincide with works to address suitability issues at Buckie High School and to ensure that a robust maintenance regime is in place to prevent Buckie High School condition from deteriorating further until delivery of the 'future school' project currently in the indicative capital plan for 2028/29. The additional time would also support community engagement and consultation on a new 3-18 community campus model.

## **6 SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

This report supports the LOIP outcomes:

- i) Building a better future for children and young people in Moray: Healthier Children: children get the healthiest start in life and are supported to achieve the best possible mental health and wellbeing and there is equity for vulnerable groups.

And the aims of the Corporate Plan to:

- ii) Improve health and wellbeing for the people of Moray.



**(b) Policy and Legal**

There are no policy or legal implications arising from this proposal.

The Schools (Consultation) (Scotland) Act 2010 sets out the legal requirements for consultation on relevant proposals affecting individual schools. The proposed approach supports and encourages that process.

**(c) Financial implications**

When the Council approved the budget for 2022/23 on 22 February 2022 (paragraph 3 of the Minute refers) it balanced only by using reserves and one-off financial flexibilities. The indicative 3 year budget showed a likely requirement to continue to make savings in the order of £20 million in the next two years. All financial decisions must be made in this context and only essential additional expenditure should be agreed in the course of the year. In making this determination the Council should consider whether the financial risk to the Council of incurring additional expenditure outweighs the risk to the Council of not incurring that expenditure, as set out in the risk section below and whether a decision on funding could reasonably be deferred until the budget for future years is approved.

The indicative capital costs for each of the project options are set out in Tables 2 and 6 above. The inflation allowance columns provide indicative costs that take account of current market uncertainty and inflationary forecasts.

If both projects are progressed on a concurrent basis the cumulative impact would place considerable constraint on the scope for other capital projects to be progressed during the project delivery period. The impact on the wider capital plan would have to be taken into account in the planned review of the capital plan and may also mean less scope to review the capital borrowing implications for revenue costs in the context of the longer term revenue budget planning.

The LEIP 3 funding model is revenue based, with revenue payments made by the Scottish Government over the 25 year life of the proposed facility.

Funding is released on a phased basis on achievement of agreed outcomes evidenced as follows:

**1. Condition**

- i. Annual returns indicate that the facility is maintained at condition A or B.
- ii. If the building drops into Condition C more than once during a 5 year period the condition funding element will be suspended until rectified.

## 2. Energy Efficiency

- i. Authorities must provide evidence that the in-use energy target of 67/kWh/m<sup>2</sup>/per annum for core hours of 2,000 per annum and core facilities is achieved. This is not a pass or fail assessment and a sliding scale is applied as follows:

Energy Consumption kWh/sqm/p.a.	Energy Funding %
A 67- 83	100%
B 84- 99	90%
C 100 – 115	60%
D 116 -130	30%
E 131+	0%

- ii. Funding will commence in year 3 of operation, with reporting based on a rolling five year average (reporting in years 7, 12, 17 & 22). There is a one year grace period if you fail to meet the previously reported target.

## 3. Digital enabled learning

- i. The local authority must provide evidence that the underlying digital infrastructure of the facility is capable of supporting 11Gbps.

## 4. Economic Growth

- i. The local authority will be required to collate and provide evidence that they have met the target for jobs supported as per the Construction Industry Training Board (CITB) benchmarks published in July 2017. The number of jobs to be supported depends on the size of the investment.
- ii. It is proposed that because the achievement of this outcome will happen in the design and construction phase of the project that funding for it, if achieved, is received in the first two years of operations, rather than extend over the 25 year period.

## 5. Embodied Carbon

- i. The local authority is required to evidence that the construction embodied target of 600kgCO<sub>2</sub>e/m<sup>2</sup> for core facilities is achieved.
- ii. Evidence of achieving this target using actual material, product, transport and contractor activity data will be required at project completion. As per the Energy Efficiency target this is not a pass or fail assessment and a sliding scale will be applied as follows:

Embodied Carbon kgCO <sub>2</sub> e/m <sup>2</sup>	Embodied Carbon Funding %
A <600	100%
B 601-666	90%
C 667-733	60%
D 734-800	30%
E 800+	0%

The LEIP programme has yet to confirm the level of funding attached to each core funding outcome.

**(d) Risk implications**

There are significant risks associated with projects of this scale and nature and these will be considered in detail as the Outline Business Cases for the projects develop. The following risks are already identified and should be noted:

- (i) The developing options may be influenced by the future recommendations to come from the in-progress Additional Support Needs Review and Sport & Leisure Capital Plan development. The options will remain flexible and adaptable to any changes warranted by these reviews.
- (ii) The Learning Estate Strategy and Delivery Programme has identified the need for significant capital investment in the future secondary school infrastructure in both Buckie and Forres ASGs. Should no option be submitted for Scottish Government LEIP Phase 3 funding the total cost of improvement projects will be the sole responsibility of Moray Council. However, for any LEIP funded projects the Council will carry the full risk of capital funding, with revenue budget support only provided once the school is operational, and at different stages in the building lifecycle, dependent on the achievement of outcomes as set out in the Financial Implications section above.
- (iii) There is risk that the area metric proposed by the Scottish Government to value a LEIP Phase 3 project (£3,500/m<sup>2</sup>) will not correspond to the actual market rate experienced at the time of construction. The consequence is that the maximum 50% of qualifying project value provided by Scottish Government could be significantly less than that (with the Council therefore bearing a significantly higher proportion of the overall costs of the project)

- (iv) The outcome based funding model requires a consistent level of investment through the life of the facility to ensure funding targets can be achieved and maintained over the 25 year period, which impacts on building whole life costs. As noted above, failure to meet these funding target throughout the 25 year funding period could put the ongoing Scottish Government contribution to funding at risk.
- (v) The whole life cost (revenue) implications of the LEIP funding requirements, alongside the current differential in the area metric cost assumptions, could mean that the Scottish Government contribution is closer to 25-35% of the overall project cost. Were the Council to choose not to apply for LEIP funding, the Council would have considerably more flexibility regarding the outcomes to be delivered from each project, and therefore the overall cost of the project, including whole life costs. The Strategic Business Cases include Minimum Scope options that cannot be considered for LEIP projects, but could be retained as options should members choose not to submit one or both of the projects for LEIP 3.
- (vi) Our understanding of whole life costs for a major project of the scale and complexity of the two proposed projects will become more developed as the projects progress through the different project stages, and there is clarity around design approaches and the consequent maintenance costs associated with the different elements of the build. Due to the potential risks associated with the affordability of ongoing whole life cost funding requirements for the LEIP funding model it is proposed that officers undertake affordability assessments at appropriate review points in any LEIP funded project so that Council can consider their ongoing approach, whether the project remains affordable under LEIP and, depending on the outcome of the assessment, if a different approach should be taken to meeting the project objectives.
- (vii) Indicative costs take account of current market uncertainty and inflationary forecasts. There is a risk of continuing market uncertainty through the life of the projects, with a consequential impact on costs (with costs continuing to rise).
- (viii) The timeframes for the majority of options assume that there will be no issues with land acquisition and planning approval timelines. In order to meet the LEIP Phase 3 December 2027 operational date target, planning approval would need to be in place before November 2025.
- (ix) The development of these options is likely to generate a high degree of public interest and speculation. It is important that there is a commitment to take this work forward in a planned way and a recognition of the difficult public relations aspects that may arise as a result.

**(e) Staffing implications**

There are no specific staffing implications arising from this proposal at this stage. Future reports will provide staffing implications updates as appropriate. Should there be a decision to progress with two bids for LEIP 3, and should both bids be successful, there will be staffing requirements across Council services to ensure we can successfully deliver the projects within the timescales set out. These staffing implications would be developed and presented in future reports to Committee.

**(f) Property**

The property implications for this proposal are set out within the project options set out in Table 2 and Table 4 above.

**(g) Equalities/Socio Economic Impact**

The quality of the learning environment can impact on learning and attainment by as much as 16%. The condition and suitability of our learning estate, and capacity challenges associated with both growth and population decline in some areas, give rise to unequal opportunity across Moray.

This proposal supports the Learning Estate Strategy requirement that all Learning Estate buildings meet minimum standards and are fit for purpose.

Equality impact assessments will be carried out as appropriate during the development of the LEIP Phase 3 option outline business case in order to ensure that benefits are distributed fairly and impacts on groups protected under the Equality Act 2010 are identified and, where reasonably possible, mitigated.

**(h) Climate Change and Biodiversity Impacts**

Both options will have a climate change impact with embodied carbon impacts during construction and whole life operational carbon. The scale of this overall impact will be assessed in detail within the outline business cases for the projects and this will be balanced against the current operational carbon budgets. As required by the LEIP funding model, a design approach which ensures energy efficiency and embodied carbon savings will be key to ensuring that the forecast reductions in carbon emissions are realised by the project.

Although dependent on the design approach taken (e.g PassivHaus) it is anticipated that there will be a significant reduction in operational carbon during the life of any future school building that will outweigh the construction carbon budget. As part of the carbon management planning, wider emissions would be considered, such as opportunities to promote active travel and reduce the need for car travel to the school.

**(i) Consultations**

The Corporate Management Team, Head of Financial Services, Head of Education (Chief Education Officer), Head of Environmental and Commercial Services, Head of Housing and Property, Head of Development Services, Tracey Sutherland, Committee Services Officer, Human Resources Manager, Equal Opportunities Officer, members of the Learning Estate Programme Board and members of the Asset Management Working Group have been consulted and the comments received have been incorporated into the report.

**7. CONCLUSION**

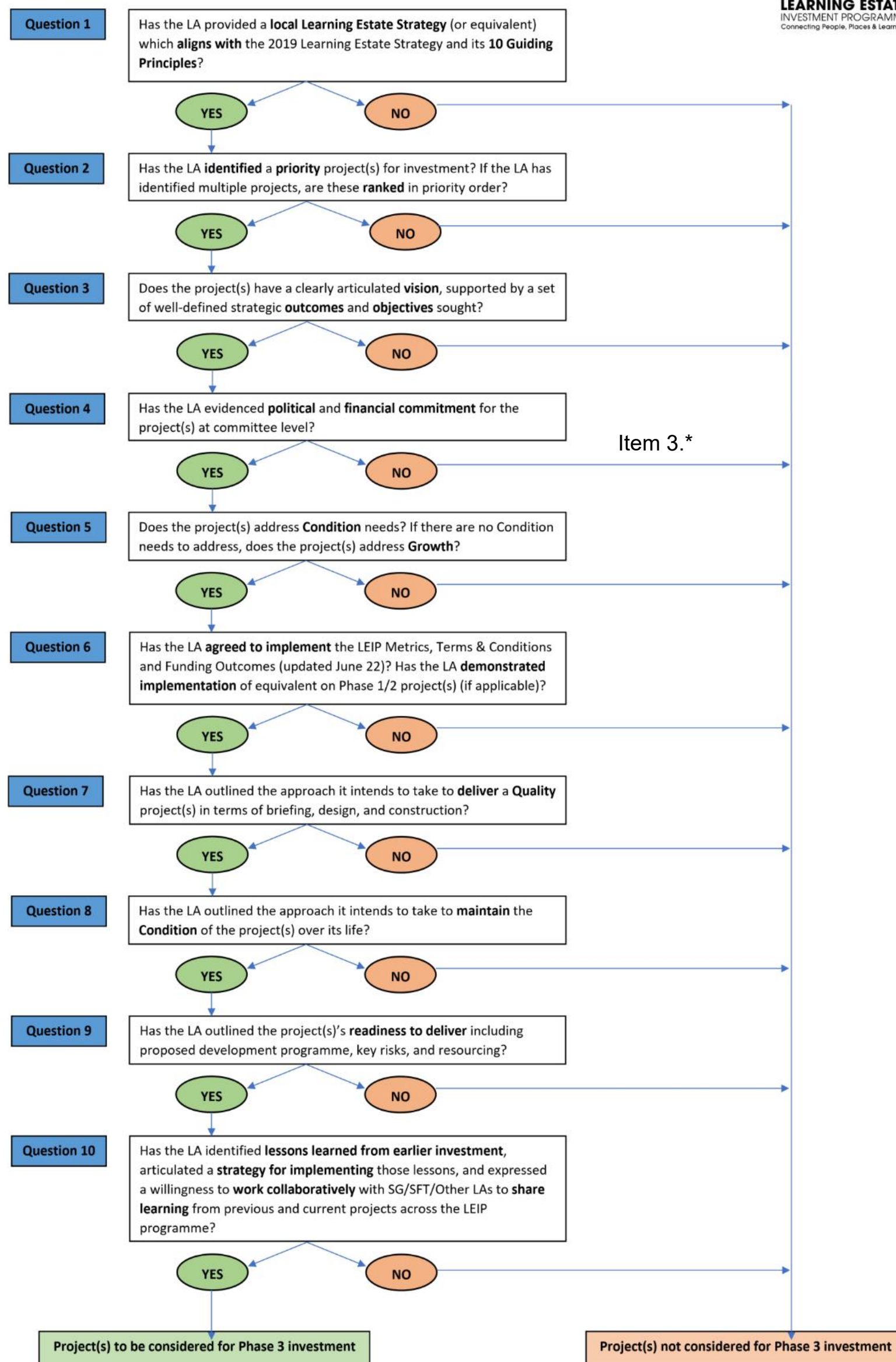
- 7.1 An opportunity for Scottish Government funding support for planned strategic learning estate project(s) is available through the Scottish Government Learning Directorate Learning Estate Investment Programme (LEIP) Phase 3 initiative. Two projects, Future Forres Academy and Future Buckie High School would qualify for submission and a number of project delivery options that have been identified within the respective Strategic Options Cases meet the selection criteria for LEIP Phase 3. As instructed by the Council on 28 September 2022, both projects have been submitted and it is now necessary to indicate which would be the Council's priority project in accordance with the bidding requirements. Due to issues of poor building condition and the risk of further deterioration that would compromise the operational effectiveness of the current school, the Forres Academy project is the recommended priority option.**

Author of Report: Andy Hall (Programme Manager (Learning Estate))

Background Papers:

Ref: SPMAN-9425411-77  
SPMAN-9425411-78  
SPMAN-9425411-79  
SPMAN-9425411-80

## APPENDIX 1: Phase 3 Selection Criteria Flowchart









## Appendix 2

<b>PROJECT REF/NAME</b>	Future Forres Academy	
<b>PROJECT SPONSOR</b>	Denise Whitworth	
<b>COMPLETED BY</b>	Andy Hall	
<b>DATE</b>	12 Aug 2022	
<b>Project Category</b>	Strategic	
<i>The following is to be completed by High Level Governance Board</i>		
<b>Approved By/Date</b>	Group or Officer Name	Date of meeting/decision
<b>Approval</b> (choose from drop down menu)	Choose an item.	
<b>Comments</b>	Any relevant comments from the approving authority should be documented here.	

The purpose of the Strategic Outline Case (SOC) is firstly to establish the case for change and the need for the proposal; and secondly, to provide a suggested way forward for the early approval of management providing an 'initial agreement to proceed' to further develop the business case.

It is important that the 'preferred way forward' within the SOC is not confused with the 'preferred option' which emerges from the Outline Business Case (OBC). The preferred way forward provides management with a recommended direction of travel, following the initial assessment of the long list of option upon completion of the SOC, whereas the preferred option is the recommended Value for Money (VFM) choice, following the detailed appraisal of the short list of options upon completion of the OBC.

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## 1. Version History

Version	Date	Details
0.1	10 Aug 2022	Initial Draft
0.2	06 September 2022	Final draft for Committee on 14/09/2022

## 2. Executive Summary

This Strategic Options Case (SOC) provides a breakdown of infrastructure options to consider to address the future delivery of secondary education capacity and capability within the Forres Academy Associate School Group (ASG). Within the options is an early indication of the costs to deliver the options considered.

The need to strategically address our learning estate across all ASGs comes from capacity pressures in growth areas such as Elgin, Forres and Buckie where the predicted housing growth over the next 15 years will result in the need for additional primary and secondary school capacity.

In addition, a number of secondary schools within Moray are assessed as below the required Condition B standard mandated by the Scottish Government. In the case of Forres Academy it has been recently been assessed as overall Condition D - defined as life-expired and/or at serious risk of imminent failure.

There is also a need to consider the changing nature of teaching, drivers for digitally enabled education, low carbon schools, additional support needs and early learning & childcare when considering the future of the learning estate. The future of Forres Academy is a key project within Moray Council's Learning Estate Strategy (LES) and a number of options could be eligible for Scottish Government funding support as part of the Learning Estate Investment Programme (LEIP) Phase 3. This SOC would form a significant element of the Moray LEIP Phase 3 bid should it be approved at Committee for submission to Scottish Government in October 2022.

This SOC builds upon the Project Mandate approved by the Corporate Management Team in January 2022. It also develops the following:

- Determining and confirming value for money;
- Preparing for and contracting the case;
- Confirming affordability and financial requirement; and,
- Planning for successful delivery.

An Outline Business Case will be drafted for approval once a decision on the type of project (refurbishment or rebuild) has been made, and a final determination of project costs has been agreed, together with an agreed project delivery procurement strategy.

## **3. The Strategic Case**

### **3.1 Introduction**

The purpose of this section is to explain how the scope of the proposed options fit within the existing business strategies of the organisation and provides a compelling case for change, in terms of existing and future operational needs.

### **3.2 Organisational overview**

The case has been developed by Moray Council through the Learning Estate Programme with participation from Education, Housing and Property and Planning. The case falls within the Moray Council Learning Estate Strategy and would form a project within the Learning Estate Strategy Delivery Programme. The Project Sponsor will be the Deputy Chief Executive (Education, Communities and Organisational Development) and the Senior Responsible Owner will be the Head of Education Resources and Communities. The Programme Manager (Learning Estate) will provide operational level responsibility for development of the case and will be supported in the future delivery of the agreed project by an appointed Learning Estate Project Manager.

### **3.3 The Strategic Context**

The Moray Council geographical area covers 864 sq. miles (2,238km.sq) and of 32 Local Authorities, Moray is ranked the 8th largest area. With a relatively small population of 95,510 Moray is ranked 26th (7th smallest) area in terms of population. Overall the Scottish Index of Multiple Deprivation (SIMD) for Moray does not show a major problem with deprivation when compared with others, but there is an enduring issue with low wages and under employment and the rural geography presents many challenges which SIMD data does not reflect. Moray current has 8 secondary schools and 46 primary schools.

Currently 25 Primary Schools and 5 Secondary Schools fall below the B standard for condition. In addition, there is a requirement to increase the secondary school capacity in a number of the secondary schools that will require, as a minimum, investment in new build extensions to existing buildings.

The current repairs and maintenance backlog, which needs to be addressed to bring all school buildings to a B/B standard for condition and suitability, was estimated to cost over £110 million to clear (based on 2013/14 condition surveys and average inflationary pressure). The Council financial forecasts (10 year Capital Plan) currently identifies £258 million to be spent over the next ten years to address the current backlog, and includes an allowance of £172million to provide for capacity growth through new builds and major refurbishment projects in Forres, Buckie and Elgin. Unless Moray are to see condition and suitability further decline across the Moray learning estate, the backlog of repairs and maintenance and providing for new school capacity needs to remain resourced within the capital plan.

The Scottish Government has announced a Phase 3 of Learning Estate Investment Programme (LEIP) funding that will become available from the end of 2022 that can assist in addressing the above financial challenge.

The LEIP funding seeks to ensure a minimum B/B standard is maintained over a 25 year period for any school project and looks to take a more strategic approach to the Learning Estate, working with partners to provide greater community use and facilities at these sites.

The strategic drivers for this investment and associated strategies, programmes and plans are contained in the principles of [Scotland's Learning Estate Strategy: Connecting People, Places and Learning](#). “

- Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners;
- Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners;
- The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value;
- The condition and suitability of learning environments should support and enhance their function;
- Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle;
- Learning environments should be greener, more sustainable, allow safe and accessible routes and be digitally enabled;
- Outdoor learning and the use of outdoor learning environments should be maximised;
- Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all;
- Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential; and,
- Investment in Moray's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth.

The proposed Moray projects should also build on the ambition of the Local Outcome Improvement Plan to build a better future for our children and young people in Moray. They should also support our education strategies:

- For Morays Children - Education Vision and Strategy 2018 -2021;
- Getting it Right for Every Child;
- Curriculum of Excellence;
- Moray Raising Attainment Strategy 2019; and,
- Our Moray Standard- Learning and Teaching

### **3.4 Business Strategy and Aims**

The proposed options build on the ambition in the Local Outcome Improvement Plan to build a better future for our children and young people in Moray.

The approach reflects those of the Corporate Plan

- Equalities – providing opportunities for everyone to be their best.
- Empowering – producing better results by collaborating and working to engage and involve people (partners, businesses and communities).
- Environment – look after the world we live in to protect it for the future.
- Enterprising – consider new approaches to the way we do our business to increase our income and make services more sustainable for the future.

#### Local Development Plan 2020

The Moray Local Development Plan 2020 sets out how much and where growth is proposed for land uses, including housing. The Growth Strategy for 2020-2030 focusses new development in the primary growth centres of Elgin, Buckie and Forres.

#### Learning Estate Strategy – 2020

The Developing a Strategic Approach to the Moray Learning Estate document was recommended to full Council by the Children and Young People Services Committee in March 2020 and approved in November 2020. The document outlined a new approach to managing our learning estate that will enable the authority to invest strategically to provide new capacity in growth areas and to bring schools up to a standard of condition and suitability that enhances the learning environment (B for condition and B for suitability across all elements). The strategy recommends an Associated Schools Group (ASG) based approach to engagement and decision making, with high level options developed that take account of population growth, and the condition and suitability of all schools within the ASG, with more detailed options appraisals taking place with input from all stakeholders. The strategy also highlights the need to prioritise particular areas, with Elgin, Buckie and Forres mentioned as areas of initial focus due to the requirement to develop new capacity over the next 10 years.

### **3.5 Investment Objectives**

The strategic investment objectives for this project are as follows:

1. Provide educational benefit – with educational pathways, achievement and improvement, and opportunities for life-long learning.
  - Spaces that support non-traditional learner pathways.
  - Supporting employability skills and the transition to further and higher education and the world of work.
  - Human scale design appropriate to the user.
  - Meeting the core principles of the curriculum.

- Delivering a learning journey that supports transition.
  - Maximum class sizes of 25 for P1 and composite classes, 30 for P2 and P3 and 33 for P4 to P7.
  - Providing environments that support the highest quality teaching and learning and strengthen leadership in education.
2. Deliver a sustainable learning estate
    - Move all schools to a minimum B/B standard for suitability and condition.
    - Achieve A/A standard for suitability and condition for new build and major refurbishment projects.
  3. Adaptable and flexible learning facilities
    - Spaces that can be flexible to meet curriculum change and community need.
    - Flexibility to suit different learner pathways.
    - Supported by a strong and resilient digital infrastructure.
  4. Provide capacity for pupil forecasts up to 2035.
  5. Support digitally enabled learning
    - Infrastructure supports 1.1Gbps.
    - Infrastructure that supports equity of access to digital / Wi-Fi.
    - A seamless and integrated digital environment across partners and services
    - Supporting the effective use of technology for education and community.
    - Good digital access which supports inclusive economic growth.
    - Infrastructure to support a possible role as a central hub for school clusters.
  6. Delivery of environmental and energy efficiency
    - Achieve as a minimum LEIP Stage 3 in-use energy target.
    - Meet local Net Zero targets by 2030.
  7. Support inclusive economic growth
    - Achieve as a minimum the LEIP funding target for jobs supported during construction.
    - Creating hubs that support best value service delivery.
    - Flexible community space that supports new ways of working.
    - Spaces that support collaborative working with partners.

### **3.6 The Case for Change**

Moray's Local Outcome Improvement Plan (LOIP) has a partnership vision of raising aspirations and our priorities include:

- Growing a diverse and sustainable economy
- Building a better future for our children and young people in Moray.

In terms of outcomes this translates to Moray being:

- A place where children and young people thrive;
- A place where they have a voice, have opportunities to learn and get around;
- A place where they have a home, feel secure, healthy and nurtured; and,
- A place where they are able to reach their full potential.

There is evidence that attainment and post-school destinations vary across Moray communities and in some areas are below average. Any investment in the learning estate must help to achieve these ambitions along with those in the Corporate Plan, which link directly to the outcomes for our children and young people.

Investment in the learning estate should seek opportunities to create community hubs with multifunctional facilities that deliver high quality education and support the aspirations of the wider community.

Leadership in Education is a key aspect of raising attainment and addressing variances in outcomes across Moray. Whilst looking at the learning estate and where recruitment of senior leaders is a challenge, consideration of innovative opportunities such as 3-18 community campus models, as well as sustaining the current traditional secondary school with a community use approach, are considered within this SOC

Delivering these local and national priorities sit at the heart of the 3-18 learning campus model for Forres ASG. The model has been developed through a series of workshops with council officers and partners, drawing on national and local priorities and work completed to test the options for school organisation for the Forres ASG. While the aspirations and principles of the learning model are consistent, the approach to how they are delivered is flexible to accommodate the character, geography and needs of different locations.

The Moray learning campus model addresses the ten guiding principles in the National Strategy set out above. In addition there are opportunities to further enhance the quality of the learning estate as follows.

#### **a. Placemaking**

Investment in the learning estate offers the opportunity for a place based approach to improve local outcomes, co-ordinating and integrating local services to support communities and progress the public sector reform agenda. The Place Principle (adopted by the Scottish Government in March 2019) promotes a shared understanding of place and the need to take a more joined up collaborative approach to services and assets within a place to achieve better outcomes. The lens of place supports a more coherent approach across portfolios to ensure strategies and policies are aligned and helps us consider the impact of policies, interventions and investments as a whole. For capital budgets this means identifying and prioritising the right projects to achieve the goals of the Place Principle and other government objectives. The Place Principle is an enabler which helps us, our partners and



local communities unlock the National Performance Framework and make it applicable to where and how we live and work.

**b. Education Design Principles**

New and refurbished learning estate facilities should ensure that the design is focused on the following design principles:

- Futureproofed – to allow for different curriculum approaches; pedagogical styles, age ranges (including younger children should the policy change), digital innovation, and formal and informal learning and social activities;
- Flexible – providing a range of spaces that work together to ensure maximum flexibility of use to support a wide range of learning and social activities;
- Suitable – creating high quality learning environments with well-planned acoustics, digital infrastructure, ventilation, heating and natural light that enhance the learning activities within them;
- Collaborative – with spaces that encourage pupils, staff and community to get the best from working together, enabled by high quality digital infrastructure for all users;
- Welcoming – spaces that create a sense of ownership and identity, and provide a high quality learning and social experience for a wide range of users;
- Connected – so that inside and outside spaces work together to support learning; a campus school acts as a hub for other schools in the cluster, and there are strong connections between the campus and other places of learning and skills in the community;
- Inclusive – actively celebrating education within the community by facilitating a broad range of opportunities including vocational skills development, family learning, intergenerational learning, and lifelong learning for all;
- Innovative – ensuring skills based learning activities drive the space requirements so they are not constrained by ‘the way we’ve always done things’;
- Embedded – supported by a change management process that challenges, prototypes, tests, builds ownership and creates understanding;
- Inspiring – fun, creative spaces that get the best from all users;
- Accessible – ensuring a wide range of needs can be supported now and in the future;
- Safe – prioritising security and safeguarding, but with as few ‘barriers’ to use as possible;
- Strengthening pathways – supporting the learner journey including through transitions and beyond to further and higher education and the world of work; and,
- Sustainable – both in terms of environmental and financial sustainability, and linking to other resources within the community to add additional value to the investment;

**c. Construction Quality**

In recent years there have been some examples of poor quality construction in the learning estate. The heavily publicised incident at Oxbgangs Primary School in Edinburgh placed a focus on the quality of the built environment. It is essential that any new investment in the learning estate is of the highest quality in terms of both design and construction. We will work with our partners including Scottish Building Standards and across the construction industry to support a focus on improvement. The recommendations from the Independent Inquiry into the Construction of Edinburgh Schools (Cole Report), the Scottish Parliament Education and Skills Committee's Report on School Infrastructure and the Construction Procurement Review should be incorporated into any planned investment.

**d. Low Carbon**

The Scottish Government has an ambitious climate change policy target for all buildings in Scotland to be near zero carbon by 2050. Reaching this target will require a change in attitude towards energy, particularly in relation to new buildings. Increasing energy efficiency in building performance must be amongst the core objectives of all new infrastructure projects for these ambitious targets to be achieved. Achievement of these core objectives needs strategic level support and should be incorporated into any planned investment.

**e. Digital**

New forms of service delivery, and new and agile forms of learning enabled by digital technology allow integration of learning experiences and the creation of new and diverse skills. The use of digital as part of the planning of the future estate, and future strategies for learning and community use should be incorporated into any planned investment. There are a number of drivers for developing our digital ambitions including increasing digital content, along with a desire for developing opportunities for remote learning and helping to widen access to learners in rural areas. Children and young people have to be exposed to a high standard of digital technology to prepare them for work.

### **3.7 Existing arrangements**

The current mainstream capacity of Forres Academy is calculated as 1121 with a school roll for 2022/23 session expected to be 860 (77% of capacity). Of this 99% of pupils are expected to be from within catchment. A total of 40 pupils were assessed as requiring additional support within an enhanced provision (2021/22 census - ASN marker report).

The policy of 'make do and mend' maintenance, adopted from 2017 to ease overall financial pressures, and underinvestment in previous years, has left the Moray Learning Estate below an acceptable standard for maintenance impacting on the suitability and condition of the majority of schools. Forres Academy has perhaps fared worse than most.

Forres Academy has recently been assessed as D condition and C suitability – a decrease from the previous assessment less than 10 years ago and despite some

significant 'make do and mend investment' over the last 5 years. A breakdown of the condition assessment is set out in Table 1.

CONDITION SUMMARY MATRIX	
Good – A	Performing well and operating efficiently
Satisfactory – B	Performing adequately but showing minor deterioration
Poor – C	Showing major defects and/or not operating adequately
Bad –D	Life expired and/or serious risk of imminent failure

Elements													
Roof	Floors & Stairs	Ceilings	External Walls, Windows &	Internal Walls and Doors	Sanitary Services	Mechanical	Electrical	Decoration	Fixed Internal Facilities	External areas	Outdoor Sports Facilities	OVERALL SCORE	CATEGORY
D	D	D	D	D	D	B	C	C	C	C	C	39.75	D

**Table 1:** Condition Assessment (2021) - Forres Academy

### 3.8 Business needs – current and future

The need to strategically address the Learning Estate comes from capacity pressures in growth areas such as Forres where the predicted housing growth over the next 15 years will potentially result in the need for additional secondary and primary school capacity.

The Forres Associated Schools Group is expected to experience growth in secondary school capacity as a consequence of planned residential development to the South and the East of the town up to 2035. The school roll is expected to increase to a maximum of 997 (89% of capacity) towards the end of the decade. However, it is anticipated that the mainstream capacity will likely need to be reassessed in the near to medium term as a consequence of the desire for wider curriculum choice and additional space requirements to support an increase in pupils with Additional Support Needs (ASN).

Although a B/B condition/suitability could be achieved with significant refurbishment of Forres Academy, the long term value for money opportunities offered by new build, shared hub facilities and a potential campus solution (which would deliver a sustainable A/A school that meets LEIP project key requirements) should be considered within the option appraisals.

There is also a need to consider the changing nature of teaching and drivers for digitally enabled education and low carbon school buildings, additional support needs and early learning and childcare when considering investment in the future of the learning estate.

### 3.9 Potential scope and service requirements

The options within these ranges are considered within the Economic Case.

	Minimum	Intermediate	Maximum
Potential business scope	Invest in school estate to achieve B suitability and B condition	Meet Secondary Capacity Requirements of Forres ASG,  Refurbish School across all elements, address Digital and Low Carbon aspects, balance community and educational needs in rationalising the estate	Deliver Digital and Low Carbon (e.g. PassivHaus) within new design and balance community and educational needs.  Provide New modern Campus models.
Key service requirements	Meet capacity and B/B standard and suitability	Addresses condition, suitability, unsustainable schools, community needs, digital and low carbon	Potential transformation of Learning provision
LEIP key requirements	Achieve LEIP funding target for jobs supported during construction  Digital infrastructure supports 1.1 Gbps  Condition A or B for 25 years  Achieve LEIP in-use energy target of 67 kWh/ sqm/ annum for core hours of 2,000/annum and core facilities  Designs to be developed in line with BB101 2018/ CIBSE TMS2.		

**Table 2:** Potential scope and service requirements

### 3.10 Main Benefits Criteria

Satisfying the potential scope for this investment will deliver the following high-level strategic and operational benefits. These are set out in Table 3.

Class Of Objective	Main Benefits	Benefits Criteria	Stakeholders Affected
Strategic (wider social and Business related)	Improved Educational Outcomes  Equality of opportunity	Increase Attainment  Increase Subject Choice across the learning estate	Scottish Government Community Planning Partnership Moray Residents Community Councils
Operational (organisational and management related)	Value for money    Sustainable financial plan	Investment in strategic interventions to deliver objectives  Efficient use of resources Building and maintenance costs understood and planned	Scottish Government Moray Council Northern Alliance Community Planning Partnership Scottish Futures Trust Moray Residents Community Councils

**Table 3: Main Benefits Criteria**

### 3.11 Strategic risks

The main business and service risks associated with the potential scope for this project are set out in Table 4.

Risk categories	Description
Business risks	Lack of staffing resource to progress Competing demands for resources. Lack of engagement with the community. Miscommunication on strategic approach Unable to attract Scottish Government funding support

Risk categories	Description
Service risks	<p>Dependencies with other projects and maintenance programme</p> <p>Construction risks – supplier availability, site availability, delays, overspends.</p> <p>Project complexity.</p> <p>Financial impact on Council</p> <p>Maintenance /refurbishment estimates</p>
External environmental risks	<p>Impact on economy either accelerated growth or recession</p> <p>Public objections (e.g. planning, education act consultation).</p>

**Table 4:** Strategic risks

### 3.12 Constraints and dependencies

The project is subject to the following constraints:

- Compliance with procurement strategies;
- The scope of the project as defined in the economic case delivers the required benefits;
- The proposed primary site for a new build option is Common Good and would require a court order and agreement of the community to procure.
- The project can be completed within the timescale required to allow the benefits to accrue;
- The project needs to be delivered within the budget identified following extensive financial evaluation during the Outline and Full Business Case stages;
- Risks are managed to minimise the impact on timescales, costs and quality;
- Resources are available to enable the project to be delivered on time and to the right quality;
- Competing priorities within partner organisations and the Council; and,
- Provided the project is approved for LEIP Stage 3 support funding compliance with LEIP Process, Metrics, terms and conditions.

The project is subject to the following dependencies that will be carefully monitored and managed throughout the project life-cycle:

- The project is dependent on ongoing political support for the approach to the Learning Estate;
- Alignment with national policy on the Learning Estate;
- Sufficient financial backing through implementation to ongoing delivery, including the release of funding dependent on development of a full business case;

- Successful engagement with communities and the public on proposals for each school; and
- The project has sufficient external authorisations to proceed, e.g. planning / licensing permissions, land rights.

## 4. The Economic Case

### 4.1 Introduction

This is the technical core of the business case and is a fundamental requirement to demonstrate value for money.

Having determined the strategic context for the project and established a robust case for change, this stage of the planning process focuses on the main choices (or options) available for delivering the required services, with a view to formulating a preferred way forward for the subsequent approval of management.

Importantly, it should be noted that an early indication of the possible or preferred way forward could avoid considerable unnecessary work being undertaken at the Outline Business Case stage.

### 4.2 Critical Success Factors (CSFs)

The following Critical Success Factors have been identified to form part of the option appraisal process:

CSF1	Strategic Fit (Vision / Government Policy)	How well the option provides holistic fit and synergy with other key elements of national, regional and local strategies
CSF2	Potential VFM	How well the option maximises the return on the required spend (benefits optimisation) in terms of economy, efficiency and effectiveness from both the perspective of the organisation and wider society and minimises associated risks.
CSF3	Potential Achievability	How well the option is likely to be delivered in view of the complexity of the option, and the experience, capability and capacity of the partners involved.
CSF4	Supply side capacity	How well the option matches the ability of the service providers to deliver the required level of services and business functionality, and appeals to the supply-side.
CSF5	Potential Affordability	How well the option meets the likely availability of funding and matches other funding constraints,



		including the capital and revenue consequences associated with the proposed investment.
CSF6	Alignment with LEIP Phase 3 CSFs	To be developed in accordance with Scottish Futures Trust Guidance during project phase (RIBA Stage 1) ( <i>will be developed within Outline Business Case if successful LEIP Phase 3 bid</i> )

Table 5: Critical Success Factors (CSFs)

### 4.3 The Long-listed Options

The purpose of the long list is to identify as wide a range of options as possible that meet the spending objectives, potential scope, and benefits criteria identified in the SOC. It also involves carrying out a detailed SWOT analysis (strengths, weaknesses, opportunities and threats) on all the options identified.

Clearly the successful bid for support from LEIP Phase 3 funding would provide significant favourable weighting in favour of the Intermediate and Maximum options but at this stage cannot be guaranteed.

These options were generated by bringing together the needs of Education, Planning and Property to develop options that met the investment objectives and CSFs at each stage. The long list of options that were considered was as follows:

The long list of options considered is set out in Table 6.

Category of Choice	Brief Description
<b>Scoping Options</b>	
1.1 Do nothing	No change to the current Learning Estate
1.2 Minimum scope	Meet secondary capacity requirements of Forres ASG with Minimum Refurbishment that addresses the requirement for minimum B standard condition.
1.3 Intermediate scope A	Meet the secondary capacity requirements of Forres ASG with Major Refurbishment that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.
1.4 Intermediate scope B	Meet the secondary capacity requirements of Forres ASG with Major Refurbishment with Extension that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.
1.5 Maximum scope A	Meet secondary capacity requirements of Forres ASG with a New Build Secondary School & Community Hub that addresses Digital and Low Carbon aspects, balances community and educational needs

1.6 Maximum scope B	Meet future secondary and future primary capacity requirements of Forres ASG with a New Build 3-18 Community Campus that addresses Digital and Low Carbon aspects, balances community and educational needs in rationalising the estate.
<b>Service solution options</b>	Option 1: Do nothing Option 2: Minimum Refurbishment of existing building Option 3: Minimum Refurbishment of existing building with new extension Option 4: Major Refurbishment of existing building with option for new extension Option 5: New build
<b>Service delivery options</b>	Option 1: Do nothing Option 2: In house design and delivery Option 3: Outsource design and delivery Option 4: Mix of in house and outsource design and delivery. Outsourced services if in house not available and VFM.
<b>Implementation options</b>	Option 1: Do nothing Option 2: Minimum refurbishment and extension by 2028 Option 3: Major Refurbishment and Extension (LEIP Stage 3) by Dec 2027 Option 4: New build (LEIP Stage 3) by Dec 2027 Option 5: Option 3: Major Refurbishment and Extension (Non-LEIP) by 2029 Option 6: New build (Non-LEIP) by 2029
<b>Funding options</b>	Option 1: Do nothing Option 2: Reserves Option 3: Capital Borrowing Option 4: Capital Borrowing plus Scottish Government Option 5: Private Sector

**Table 6:** Long list – summary of inclusions, exclusions and possible options

#### 4.4 Scoping options

In accordance with the Treasury Green Book and Capital Investment Manual, the do nothing option has been considered as a benchmark for potential VFM.

An infinite number of options and permutations are possible; however, within the broad scope outlined in the SOC, only those in Table 6 have been considered in detail.

## 4.5 Short-listed Options

The summary of the assessment of the scoping options are set out in Table 7. The detail of the 'preferred' and 'possible' options are in the Economic Case at Appendix 1.

### Summary assessment of scoping options

Reference to:	Option 1.1	Option 1.2	Option 1.3	Option 1.4	Option 1.5	Option 1.6
Description of Option:	Do Nothing	Minimum	Intermediate A	Intermediate B	Maximum A	Maximum B
Objective 1	x	x	?	✓	✓	✓
Objective 2	x	✓	✓	✓	✓	✓
Objective 3	x	x	✓	✓	✓	✓
Objective 4	x	x	✓	✓	✓	✓
Objective 5	x	x	✓	✓	✓	✓
Objective 6	x	x	✓	✓	✓	✓
CSF'S						
Business need	x	x	✓	✓	✓	✓
Strategic Fit	x	x	✓	✓	✓	✓
Benefits Optimisation	x	x	✓	✓	✓	✓
Potential Achievability	x	x	✓	✓	✓	✓
Supply side capacity	x	✓	✓	✓	✓	✓
Potential Affordability	✓	✓	✓	✓	✓	?
Summary	Discounted	Discounted	Possible	Possible	Possible	Possible

**Table 7:** Summary assessment of scoping options

The 'preferred' and 'possible' options will be carried forward into the short list for further appraisal and evaluation. On the basis of this analysis, the recommended short list for further appraisal within the OBC is as follows:

- **Option 1.3** - Meet the secondary capacity requirements of Forres ASG with Major Refurbishment that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.
- **Option 1.4** - Meet the secondary capacity requirements of Forres ASG with Major Refurbishment with Extension that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.
- **Option 1.5** - Meet secondary capacity requirements of Forres ASG with a New Build Secondary School & Community Hub that addresses Digital and Low Carbon aspects, balances community and educational needs.
- **Option 1.6** - Meet future secondary and future primary capacity requirements of Forres ASG with a New Build 3-18 Community Campus that addresses Digital and Low Carbon aspects, balances community and educational needs in rationalising the estate.

The indicative costs based on current market conditions and those at expected project completion (2028) are set out in table 8 below.

## 5. Commercial Case

### 5.1 Introduction

The purpose of the Commercial Case is to demonstrate that the "option" will result in a viable procurement and well-structured Deal.

### 5.2 Required Services

The 'preferred' option will require a number of project services (including design, project management, contract management, supply chain management, change management, quality management) across the following project phases:

- Concept development/LEIP Phase 3 bid (Closing date 30 Oct 2022)
- Preparation and Brief (Royal Institute of British Architects (RIBA) Stage 1)
- Pre-Construction Design Phase (RIBA Stage 2-4)
- Mobilisation and Construction Phase (RIBA Stage 5)
- Handover and Close Out (RIBA Stage 6)
- Operational Phase (RIBA Stage 7)

The procurement strategy for RIBA Stage 1-6 is still to be fully determined. Property and Housing (Design), Finance (Procurement) and Education Resources and Communities (Learning Estate) will work together to develop a corporate

procurement strategy to support the project and ensure value for money is robustly demonstrated in the future Outline and Full Business Cases.

The procurement strategy will consider proposed charging mechanisms (e.g. 'fixed price', 'payment of delivery of agreed outputs', 'incentive'); proposed standard contract type and key contractual issues.

## **6. The Financial Case**

More detailed financial analysis will be carried out in the Outline Business Case. The range for the assessed possible options indicates a required capital spend of between £60.5M - £69,600 (with Option 1.4 – Major Refurbishment with Extension expected to be of greater value) on current market rates which based on current market uncertainty and inflationary forecasts would be in the range of £79.2M - £91.1M at earliest project completion of end 2027.

The project has to sit alongside other similar requirements across the Moray Learning Estate and will account for a significant proportion of the Councils Capital spend. Scottish government funding and support, in the form of the Learning Estate Investment Programme Stage 3 commitment is considered essential given the scale and scope of the overall project.

The overall levels of spend are higher than currently forecast in the Capital Plan and therefore may impact on the revenue budget of the Council requiring improved budget settlements and increased savings/cuts to accommodate this priority.

OPTIONS			Base Cost 2022	Inflation Allowance to Financial Close 2026	Local Authority Funding Ratios			GIFA m2
					40%	45%	50%	
Option 1.2	MINIMUM	Minimum Refurbishment to B/B Standard	£ 24,702,000	£ 31,000,000	N/A	N/A	N/A	14324 (as existing)
Option 1.3	INTERMEDIATE	Meet the secondary capacity requirements of Forres ASG with Major Refurbishment that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.	£ 69,600,000	£ 91,100,000	£ 36,400,000	£ 41,000,000	£ 45,600,000	14325 (as existing)
Option 1.4	INTERMEDIATE	Meet the secondary capacity requirements of Forres ASG with Major Refurbishment with Extension that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.	TBC	TBC	TBC	TBC	TBC	15,148 (assumed)
Option 1.5	MAXIMUM	Meet secondary capacity requirements of Forres ASG with a New Build Secondary School & Community Hub that addresses Digital and Low Carbon aspects, balances community and educational needs	£ 60,500,000	£ 79,200,000	£ 35,600,000	£ 40,000,000	£ 44,500,000	15,148
Option 1.6	MAXIMUM	Meet future secondary and future primary capacity requirements of Forres ASG with a New Build 3-18 Community Campus that addresses Digital and Low Carbon aspects, balances community and educational needs in rationalising the estate.	£ 66,900,000	£ 87,400,000	£ 35,000,000	£ 39,300,000	£ 43,700,000	16,350

**Table 8: Indicative Cost Models - Options**

## 7. The Management Case

### 7.1 Introduction

This section addresses the 'achievability' of the Future Forres Academy project. Its purpose is to build on the project mandate by setting out in more detail the actions that will be required to ensure the successful delivery of the project in accordance with best practice.

### 7.2 Programme Management Arrangements

The Case is an integral part of the Moray Council Learning Estate Strategy Delivery Programme, which comprises a portfolio of projects for the delivery of the Moray Council Learning Strategy.

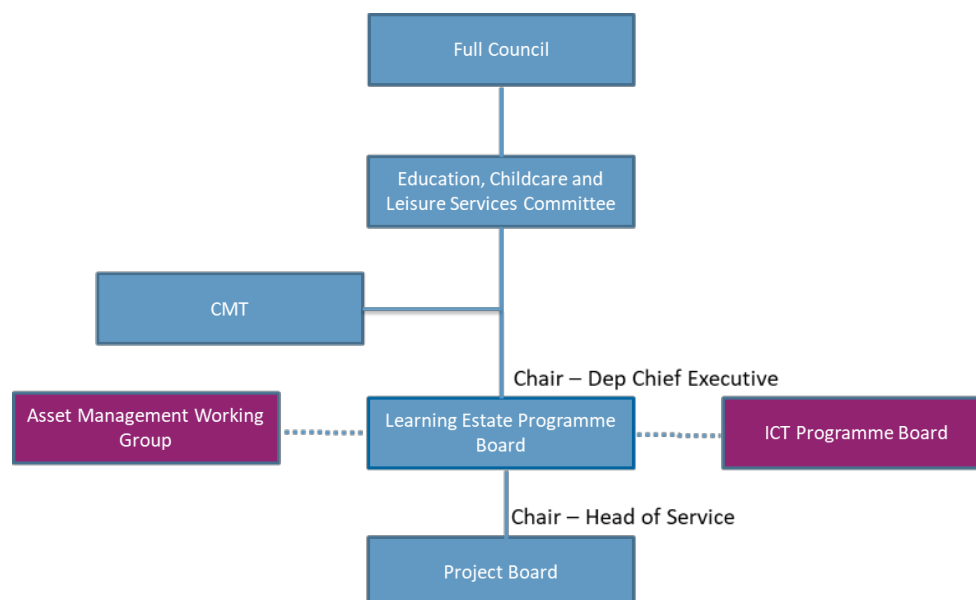
### 7.3 Project Management Arrangements

The project will be managed in accordance with good Project Management methodology – this will incorporate Prince 2, Association of Project Management and Treasury Green Book best practise.

The project will be managed via a Future Forres Academy Project Board who will report to the Learning Estate Programme Board that will in turn report to Education, Children and Leisure Services Committee and Full Council.

#### 7.3.1 Project Governance and Reporting structure

The proposed project governance and reporting structure is set out below:



### **7.3.2 Project Roles and Responsibilities**

The Project Sponsor for the Future Forres Academy project will be Deputy Chief Executive (Education, Communities and Organisational Development) – Denise Whitworth.

The Senior Responsible Owner for the project will be Head of Education Resources and Communities – Joanna Shirriffs

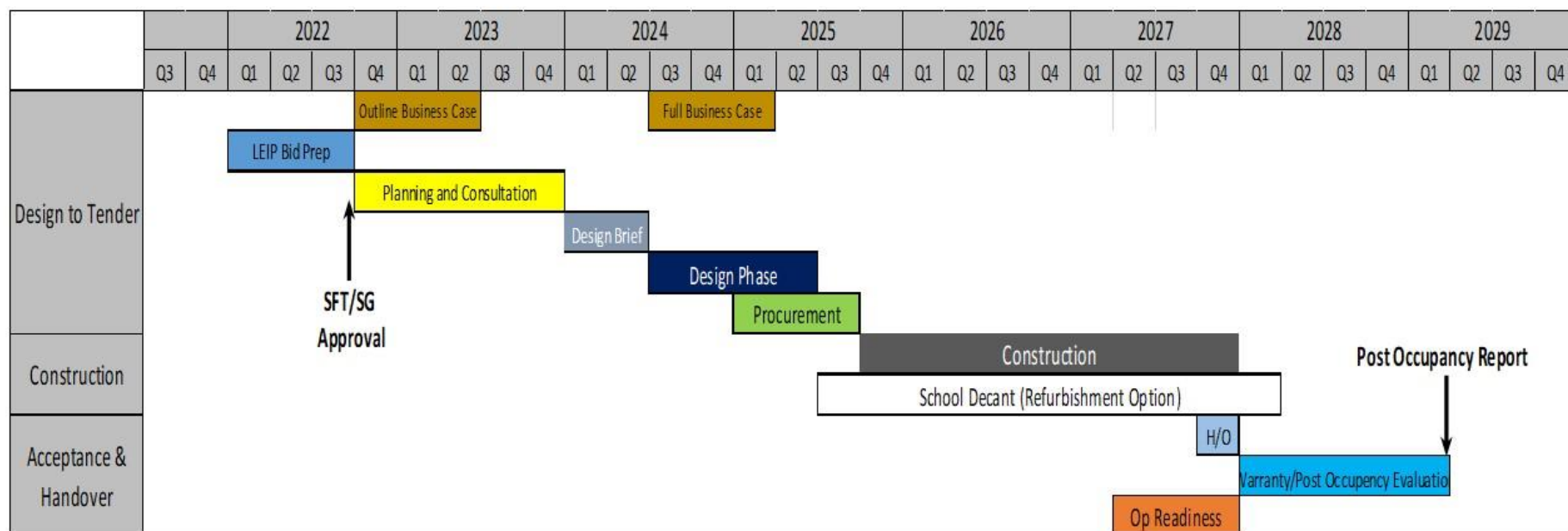
The Programme Manager (Learning Estate) - Andy Hall - will provide operational level oversight of project delivery and will be supported by a Learning Estate Project Manager.

A full Project RACI matrix will be developed for the Outline Business Case.

### **7.3.3 Project Plan**

A high level indicative project plan is set out below. The project completion date of Dec 2027 is based on current LEIP Phase 3 requirements.





## **Appendices**

### **Appendix 1: Economic Case**



## Appendix 3

<b>PROJECT REF/NAME</b>	Future Buckie High School Future	
<b>PROJECT SPONSOR</b>	Denise Whitworth	
<b>COMPLETED BY</b>	Andy Hall	
<b>DATE</b>	12 Aug 2022	
<b>Project Category</b>	Strategic	
<i>The following is to be completed by High Level Governance Board</i>		
<b>Approved By/Date</b>	Group or Officer Name	Date of meeting/decision
<b>Approval</b> (choose from drop down menu)	Choose an item.	
<b>Comments</b>	Any relevant comments from the approving authority should be documented here.	

The purpose of the Strategic Outline Case (SOC) is firstly to establish the case for change and the need for the proposal; and secondly, to provide a suggested way forward for the early approval of management providing an 'initial agreement to proceed' to further develop the business case.

It is important that the 'preferred way forward' within the SOC is not confused with the 'preferred option' which emerges from the Outline Business Case (OBC). The preferred way forward provides management with a recommended direction of travel, following the initial assessment of the long list upon completion of the SOC whereas the preferred option is the recommended Value for Money (VFM) choice, following the detailed appraisal of the short list upon completion of the OBC.

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## 1. Version History

Version	Date	Details
0.1	10 Aug 2022	Initial Draft
0.2	6 September 2022	Final draft for Committee on 14/09/22

## 2. Executive Summary

This Strategic Options Case (SOC) provides a breakdown of infrastructure options to consider to address the future delivery of secondary education capacity and capability within the Forres Academy Associate School Group (ASG). Within the options is an early indication of the costs to deliver the options considered.

The need to strategically address our learning estate across all ASGs comes from capacity pressures in growth areas such as Elgin, Forres and Buckie where the predicted housing growth over the next 15 years will result in the need for additional primary and secondary school capacity.

In addition, a number of secondary schools within Moray are assessed as below the required Condition B standard mandated by Scottish Government. In the case of Buckie High School it has been recently been assessed as overall Condition C - defined as showing major defects and/or not operating adequately

There is also a need to consider the changing nature of teaching, drivers for digitally enabled education, low carbon schools, additional support needs and early years learning when considering the future of the learning estate. The future of Buckie High School is a key project within Moray Councils Learning Estate Strategy (LES) and a number of options could be eligible for Scottish Government funding support as part of the Learning Estate Investment Programme (LEIP) Phase 3. The SOC would form a significant element of the Moray LEIP Phase 3 bid should it be approved at Committee for submission to Scottish Government in October 2022.

This Strategic Outline Case builds upon the Project Mandate approved by the Corporate Management Team in January 2022. It also develops the following:

- Determining and confirming value for money
- Preparing for and contracting the case
- Confirming affordability and financial requirement
- Planning for successful delivery

An Outline Business Case will be drafted for approval once a decision on the type of project (refurbishment or rebuild) has been made and a final determination of project costs has been agreed together with an agreed project delivery procurement strategy.

## **3. The Strategic Case**

### **3.1 Introduction**

The purpose of this section is to explain how the scope of the proposed options fit within the existing business strategies of the organisation and provides a compelling case for change, in terms of existing and future operational needs.

### **3.2 Organisational overview**

The case has been developed by Moray Council through the Learning Estate Programme with participation from Education, Housing and Property and Planning. The case falls within the Moray Council Learning Estate Strategy and would form a project within the Learning Estate Strategy Delivery Programme. The Project Sponsor will be the Deputy Chief Executive (Education, Communities and Organisational Development) and the Senior Responsible Owner will be the Head of Education Resources and Communities. The Programme Manager (Learning Estate) will provide operational level responsibility for development of the case and will be supported in the future delivery of the agreed project by an appointed Learning Estate Project Manager.

### **3.3 The Strategic Context**

The Moray Council geographical area covers 864 sq. miles (2,238km.sq) and of 32 Local Authorities, Moray is ranked the 8th largest area. With a relatively small population of 95,510 Moray is ranked 26th (7th smallest) area in terms of population. Overall the Scottish Index of Multiple Deprivation (SIMD) for Moray does not show a major problem with deprivation when compared with others, but there is an enduring issue with low wages and under employment and the rural geography presents many challenges which SIMD data does not reflect. Moray has 8 secondary schools and 46 Primary Schools.

Currently 25 Primary Schools and 5 Secondary Schools fall below the B standard for condition. In addition, there is a requirement to increase the secondary school capacity in a number of the secondary schools that will require, as a minimum, investment in new build extensions to existing buildings.

The current repair and maintenance backlog, which needs to be addressed to bring all school buildings to a B/B standard for condition and suitability was estimated to cost over £110 million to clear (based on 2013/14 condition surveys and average inflationary pressure). The Council financial forecasts (10 year Capital Plan) currently identifies £258 million to be spent over the next ten years to address the current backlog and includes an allowance of £172million to provide for capacity growth through new builds and major refurbishment projects in Forres, Buckie and Elgin. Unless Moray are to see condition and suitability further decline across the Moray learning estate the backlog of repair and maintenance and providing for new school capacity needs to remain resourced within the capital plan.

The Scottish Government has announced a Phase 3 of Learning Estate Investment Programme (LEIP) funding that will become available from the end of 2022 that can assist in addressing the above financial challenge.

The LEIP funding seeks to ensure a minimum B/B standard is maintained over a 25 year period for any school projects and looks to take a more strategic approach to the Learning Estate, working with partners to provide greater community use and facilities at these sites.

The strategic drivers for this investment and associated strategies, programmes and plans are contained in the principles of “[Scotland’s Learning Estate Strategy: Connecting People, Places and Learning](#)”.

- Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners;
- Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners;
- The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value;
- The condition and suitability of learning environments should support and enhance their function;
- Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle;
- Learning environments should be greener, more sustainable, allow safe and accessible routes and be digitally enabled;
- Outdoor learning and the use of outdoor learning environments should be maximised;
- Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all;
- Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential; and,
- Investment in Moray’s learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth.

The proposed project also builds on the ambition of the Local Outcome Improvement Plan to build a better future for our children and young people in Moray. It also supports our education strategies:

- For Morays Children - Education Vision and Strategy 2018 -2021
- Getting it Right for Every Child
- Curriculum of Excellence
- Moray Raising Attainment Strategy 2019
- Our Moray Standard- Learning and Teaching

### **3.4 Business Strategy and Aims**

The proposed options build on the ambition in the Local Outcome Improvement Plan to build a better future for our children and young people in Moray.

The approach reflects those of the Corporate Plan

- Equalities – providing opportunities for everyone to be their best.
- Empowering – producing better results by collaborating and working to engage and involve people (partners, businesses and communities)
- Environment – look after the world we live in to protect it for the future
- Enterprising – consider new approaches to the way we do our business to increase our income and make services more sustainable for the future

#### Local Development Plan 2020

The Moray Local Development Plan 2020 sets out how much and where growth is proposed for land uses including housing. The Growth Strategy for 2020-2030 focusses new development in the primary growth centres of Elgin, Buckie and Forres.

#### Learning Estate Strategy – 2020

The Developing a Strategic Approach to the Moray Learning Estate document was recommended to full Council by the Children and Young People Services Committee in March 2020 and approved in November 2020. The document outlined a new approach to managing our learning estate that will enable the authority to invest strategically to provide new capacity in growth areas and to bring schools up to a standard of condition and suitability that enhances the learning environment (B for condition and B for suitability across all elements). The strategy recommends an Associated Schools Group (ASG) based approach to engagement and decision making, with high level options developed that take account of population growth, and the condition and suitability of all schools within the ASG, with more detailed options appraisals taking place with input from all stakeholders. The strategy also highlights the need to prioritise particular areas, with Elgin, Buckie and Forres mentioned as areas of initial focus due to the requirement to develop new capacity over the next 10 years.

### **3.5 Investment Objectives**

The strategic investment objectives for this project are as follows:

1. Provide educational benefit – with educational pathways, achievement and improvement and opportunities for life-long learning
  - Spaces that support non-traditional learner pathways.
  - Supporting employability skills and the transition to further and higher education and the world of work.
  - Human scale design appropriate to the user.
  - Meeting the core principles of the curriculum.
  - Delivering a learning journey that supports transition.



- Maximum class sizes of 25 for P1 and composite classes, 30 for P2 and P3 and 33 for P4 to P7.
  - Providing environments that support the highest quality teaching and learning and strengthen leadership in education.
2. Deliver a sustainable learning estate
    - Move all schools to a minimum B/B standard for suitability and condition.
    - Achieve A/A standard for suitability and condition for new build and major refurbishment projects.
  3. Adaptable and flexible learning facilities
    - Spaces that can be flexible to meet curriculum change and community need.
    - Flexibility to suit different learner pathways.
    - Supported by a strong and resilient digital infrastructure.
  4. Provide capacity for pupil forecasts up to 2035.
  5. Support digitally enabled learning
    - Infrastructure supports 1.1Gbps.
    - Infrastructure that supports equity of access to digital / Wi-Fi.
    - A seamless and integrated digital environment across partners and services.
    - Supporting the effective use of technology for education and community.
    - Good digital access which supports inclusive economic growth
    - Infrastructure to support a possible role as a central hub for school clusters.
  6. Deliver environmental and energy efficiency
    - Achieve as a minimum LEIP Stage 3 in-use energy target.
    - Meet local Net Zero targets by 2030.
  7. Support inclusive economic growth
    - Achieve as a minimum the LEIP funding target for jobs supported during construction.
    - Creating hubs that support best value service delivery.
    - Flexible community space that supports new ways of working.
    - Spaces that support collaborative working with partners.

### **3.6 The Case for Change**

Moray's Local Outcome Improvement Plan (LOIP) has a partnership vision of raising aspirations and our priorities include:

- Growing, a diverse and sustainable economy
- Building a better future for our children and young people in Moray.

In terms of outcomes this translates to Moray being:

- A place where children and young people thrive
- A place where they have a voice, have opportunities to learn and get around
- A place where they have a home, feel secure, healthy and nurtured
- A place where they are able to reach their full potential

There is evidence that attainment and post-school destinations vary across Moray communities and in some areas are below average. Any investment in the learning estate must help to achieve these ambitions along with those in the Corporate Plan which link directly to the outcomes for our children and young people.

Investment in the learning estate should seek opportunities to create community hubs with multifunctional facilities that deliver high quality education and support the aspirations of the wider community.

Leadership in Education is a key aspect of raising attainment and addressing variances in outcomes across Moray. Whilst looking at the learning estate and where recruitment of senior leaders is a challenge, consideration of innovative opportunities such as 3-18 community campus models as well as sustaining the current traditional secondary school with a community use approach are considered within this SOC.

Delivering these local and national priorities sit at the heart of the 3-18 learning campus model for the Buckie ASG. The model has been developed through a series of workshops with council officers and partners, drawing on national and local priorities and work completed to test the options for school organisation for the Buckie ASG. While the aspirations and principles of the learning model are consistent, the approach to how they are delivered is flexible to accommodate the character, geography and needs of different locations.

The Moray learning campus model addresses the ten guiding principles in the National Strategy set out above. In addition there are opportunities to further enhance the quality of the learning estate as follows.

#### **a. Placemaking**

Investment in the learning estate offers the opportunity for a place based approach to improve local outcomes, co-ordinating and integrating local services to support communities and progress the public sector reform agenda. The Place Principle (adopted by the Scottish Government in March 2019) promotes a shared understanding of place and the need to take a more joined up collaborative approach to services and assets within a place to achieve better outcomes. The lens of place supports a more coherent approach across portfolios to ensure strategies and policies are aligned and helps us consider the impact of policies, interventions and investments as a whole. For capital budgets this means identifying and prioritising the right projects to achieve the goals of the Place Principle and other government objectives. The Place Principle is an enabler which helps us, our partners and local communities unlock the National Performance Framework and make it applicable to where and how we live and work.

## **b. Education Design Principles**

New and refurbished learning estate facilities should ensure that the design is focused on the following design principles:

- Futureproofed – to allow for different curriculum approaches, pedagogical styles, age ranges (including younger children should the policy change), digital innovation, and formal and informal learning and social activities;
- Flexible – providing a range of spaces that work together to ensure maximum flexibility of use to support a wide range of learning and social activities;
- Suitable – creating high quality learning environments with well-planned acoustics, digital infrastructure, ventilation, heating and natural light that enhance the learning activities within them;
- Collaborative – with spaces that encourage pupils, staff and community to get the best from working together, enabled by high quality digital infrastructure for all users;
- Welcoming – spaces that create a sense of ownership and identity, and provide a high quality learning and social experience for a wide range of users;
- Connected – so that inside and outside spaces work together to support learning; a ‘campus’ school acts as a hub for other schools in the cluster, and there are strong connections between the campus and other places of learning and skills in the community;
- Inclusive – actively celebrating education within the community by facilitating a broad range of opportunities including vocational skills development, family learning, intergenerational learning, and lifelong learning for all;
- Innovative – ensuring skills based learning activities drive the space requirements so they are not constrained by ‘the way we’ve always done things’;
- Embedded – supported by a change management process that challenges, prototypes, tests, builds ownership and creates understanding;
- Inspiring – fun, creative spaces that get the best from all users;
- Accessible – ensuring a wide range of needs can be supported now and in the future;
- Safe – prioritising security and safeguarding, but with as few ‘barriers’ to use as possible;
- Strengthening pathways – supporting the learner journey including through transitions and beyond to further and higher education and the world of work; and,
- Sustainable – both in terms of environmental and financial sustainability, and linking to other resources within the community to add additional value to the investment.

**c. Construction Quality**

In recent years there have been some examples of poor quality construction in the learning estate. The heavily publicised incident at Oxfangs Primary School in Edinburgh placed a focus on the quality of the built environment. It is essential that any new investment in the learning estate is of the highest quality in terms of both design and construction. We will work with our partners including Scottish Building Standards and across the construction industry to support a focus on improvement. The recommendations from the Independent Inquiry into the Construction of Edinburgh Schools (Cole Report), the Scottish Parliament Education and Skills Committee's Report on School Infrastructure and the Construction Procurement Review should be incorporated into planned investment.

**d. Low Carbon**

The Scottish Government has an ambitious climate change policy target for all buildings in Scotland to be near zero carbon by 2050. Reaching this target will require a change in attitude towards energy, particularly in relation to new buildings. Increasing energy efficiency in building performance must be amongst the core objectives of all new infrastructure projects for these ambitious targets to be achieved. Achievement of these core objectives needs strategic level support and should be incorporated into planned investment.

**e. Digital**

New forms of service delivery, and new and agile forms of learning enabled by digital technology allow integration of learning experiences and the creation of new and diverse skills. The use of digital as part of the planning of the future estate, and future strategies for learning and community use should be incorporated into planned investment. There are a number of drivers for developing our digital ambitions including increasing digital content along with a desire for developing opportunities for remote learning and helping to widen access to learners in rural areas. Children and young people have to be exposed to a high standard of digital technology to prepare them for work.

### **3.7 Existing arrangements**

The current mainstream capacity of Buckie High School is calculated as 944 with a school roll for 2022/23 session expected to fall to 815 (86% of capacity). Of this 98% of pupils are expected to be from within catchment. A total of 32 pupils were assessed as requiring additional support needs (2021/22 census - ASN marker report).

The policy of 'make do and mend' maintenance, adopted from 2017 to ease overall financial pressures, and underinvestment in previous years, has left the Moray Learning Estate below an acceptable standard for maintenance impacting on the suitability and condition of the majority of schools. Buckie High School has seen the condition deteriorate during this period.

Buckie High School has recently been assessed as C condition and C suitability – a decrease from the previous assessment less than 10 years ago. A breakdown of the condition assessment is set out in the Table 1.

CONDITION SUMMARY MATRIX	
Good - A	Performing well and operating efficiently
Satisfactory - B	Performing adequately but showing minor deterioration
Poor - C	Showing major defects and/or not operating adequately
Bad -D	Life expired and/or serious risk of imminent failure

Elements												OVERALL SCORE	CATEGORY
Roof	Floors & Stairs	Ceilings	External Walls, Windows &	Internal Walls and Doors	Sanitary Services	Mechanical	Electrical	Decoration	Fixed Internal Facilities	External areas	Outdoor Sports Facilities		
D	D	C	C	C	D	C	C	C	B	C	B	45.25	C

**Table 1:** Condition Assessment (2022) – Buckie High School

### 3.8 Business needs – current and future

The need to strategically address the Learning Estate comes from capacity pressures in growth areas such as Buckie where the predicted housing growth over the next 15 years will potentially result in the need for additional secondary and primary school capacity.

The Buckie Associated Schools Group is expected to require growth in secondary school capacity as a consequence of planned residential development to the South and the West of the town up to 2035. The school roll is expected to increase to a maximum of 903 (96% of capacity) towards the end of the decade. The impact of residential development beyond this is less clear and there is a high likelihood that the school will have no further capacity to manage any school roll fluctuations. Further it is anticipated that the mainstream capacity will likely need to be reassessed in the near to medium term as a consequence of the desire for wider curriculum choice and additional space requirements to support an increase in pupils with Additional Support Needs (ASN). The qualitative and quantitative evidence points towards the requirement for an extension in secondary school capacity in the Buckie ASG in the 2030-2032 timeframe.

Although a B/B condition/suitability could be achieved with significant refurbishment of Buckie Academy the long term value for money opportunities offered by new build, shared hub facilities and a potential campus solution (which would deliver a sustainable A/A school that meets LEIP project key requirements) should be considered within the option appraisals.

There is also a need to consider the changing nature of teaching and drivers for digitally enabled education and low carbon school buildings, additional support needs and early learning and childcare when considering investment in the future of the learning estate.

### 3.9 Potential scope and service requirements

The options within these ranges are considered within the economic case.

	Minimum	Intermediate	Maximum
Potential business scope	Invest in school estate to achieve B suitability and B condition	Meet Secondary Capacity Requirements of Buckie ASG,  Refurbish School across all elements, address Digital and Low Carbon aspects, balance community and educational needs in rationalising the estate	Deliver Digital and Low Carbon (e.g. PassivHaus) within new design and balance community and educational needs.  Provide New modern Campus models.
Key service requirements	Meet capacity and B/B standard and suitability	Addresses condition suitability, unsustainable schools, community needs, digital and low carbon	Potential transformation of Learning provision
LEIP key requirements	Achieve LEIP funding target for jobs supported during construction Digital infrastructure supports 1.1 Gbps Condition A or B for 25 years Achieve LEIP in-use energy target of 67 kWh/ sqm/ annum for core hours of 2,000/annum and core facilities Designs to be developed in line with BB101 2018/ CIBSE TMS2.		

Table 2: Potential scope and service requirements

### 3.10 Main Benefits Criteria

Satisfying the potential scope for this investment will deliver the following high-level strategic and operational benefits. These are set out in Table 3.

Class Of Objective	Main Benefits	Benefits Criteria	Stakeholders Affected
Strategic (wider social and Business related)	Improved Educational Outcomes  Equality of opportunity	Increase Attainment  Increase Subject Choice across the learning estate	Scottish Government Community Planning Partnership Moray Residents Community Councils
Operational (organisational and management related)	Value for money     Sustainable financial plan	Investment in strategic interventions to deliver objectives Efficient use of resources   Building and maintenance costs understood and planned	Scottish Government Moray Council Northern Alliance Community Planning Partnership Scottish Futures Trust Moray Residents Community Councils

Table 3: Main Benefits Criteria

### 3.11 Strategic risks

The main business and service risks associated with the potential scope for this project are set out in Table 4.

Risk categories	Description
Business risks	Lack of staffing resource to progress Competing demands for resources. Lack of engagement with the community. Miscommunication on strategic approach Unable to attract Scottish Government funding support

Risk categories	Description
Service risks	<p>Dependencies with other projects and maintenance programme</p> <p>Construction risks – supplier availability, site availability, delays, overspends.</p> <p>Project complexity.</p> <p>Financial impact on Council</p> <p>Maintenance /refurbishment estimates</p>
External environmental risks	<p>Impact on economy either accelerated growth or recession</p> <p>Public objections (e.g. planning, education act consultation).</p>

Table 4: Strategic risks

### 3.12 Constraints and dependencies

The project is subject to the following constraints:

- Compliance with procurement strategies;
- The scope of the project as defined in the economic case delivers the required benefits;
- The project can be completed within the timescale required to allow the benefits to accrue;
- The project needs to be delivered within the budget identified following extensive financial evaluation during the Outline and Full Business Case stages;
- Risks are managed to minimise the impact on timescales, costs and quality;
- Resources are available to enable the project to be delivered on time and to the right quality;
- Competing priorities within partner organisations and the Council; and,
- Provided the project is approved for LEIP Stage 3 support funding compliance with LEIP Process, Metrics, terms and conditions.

The project is subject to the following dependencies that will be carefully monitored and managed throughout the project life-cycle:

- The project is dependent on ongoing political support for the approach to the Learning Estate;
- Alignment with national policy on the Learning Estate;
- Sufficient financial backing through implementation to ongoing delivery, including the release of funding dependent on development of a full business case;
- Successful engagement with communities and the public on proposals for each school; and



- The project has sufficient external authorisations to proceed, e.g. planning / licensing permissions, land rights.

## 4. The Economic Case

### 4.1 Introduction

This is the technical core of the business case and is a fundamental requirement to demonstrate value for money.

Having determined the strategic context for the project and established a robust case for change, this stage of the planning process focuses on the main choices (or options) available for delivering the required services, with a view to formulating a preferred way forward for the subsequent approval of management.

Importantly, it should be noted that an early indication of the possible or preferred way forward could avoid considerable unnecessary work being undertaken at the Outline Business Case stage.

### 4.2 Critical Success Factors (CSFs)

The following Critical Success Factors have been identified to form part of the option appraisal process:

CSF1	Strategic Fit (Vision / Government Policy)	How well the option provides holistic fit and synergy with other key elements of national, regional and local strategies
CSF2	Potential VFM	How well the option maximises the return on the required spend (benefits optimisation) in terms of economy, efficiency and effectiveness from both the perspective of the organisation and wider society and minimises associated risks.
CSF3	Potential Achievability	How well the option is likely to be delivered in view of the complexity of the option, and the experience, capability and capacity of the partners involved.
CSF4	Supply side capacity	How well the option matches the ability of the service providers to deliver the required level of services and business functionality, and appeals to the supply-side.
CSF5	Potential Affordability	How well the option meets the likely availability of funding and matches other funding constraints, including the capital and revenue consequences associated with the proposed investment.

CSF6	Alignment with LEIP Phase 3 CSFs	To be developed in accordance with Scottish Futures Trust Guidance during project phase (RIBA Stage 1) (will be developed within Outline Business Case if successful LEIP Phase 3 bid)
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### 4.3 The Long-listed Options

The purpose of the long list is to identify as wide a range of options as possible that meet the spending objectives, potential scope, and benefits criteria identified in the SOC. It also involves carrying out a detailed SWOT analysis (strengths, weaknesses, opportunities and threats) on all the options identified.

Clearly the successful bid for support from LEIP Phase 3 funding would provide significant favourable weighting in favour of the Intermediate and Maximum options but at this stage cannot be guaranteed.

These options were generated by bringing together the needs of Education, Planning and Property to develop options that met the investment objectives and CSFs at each stage. The long list of options that were considered was as follows:

The long list of options considered is set out in Table 6.

Category of Choice	Brief Description
<b>Scoping Options</b>	
1.1 Do nothing	No change to the current Learning Estate
1.2 Minimum scope	Meet secondary capacity requirements of Buckie ASG with Minimum Refurbishment and Extension that addresses the requirement for minimum B standard condition.
1.3 Intermediate scope A	Meet the secondary capacity requirements of Buckie ASG with Major Refurbishment and Extension that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.
1.4 Intermediate scope B	Meet secondary capacity requirements of Buckie ASG with a New Build Secondary School & Community Hub that addresses Digital and Low Carbon aspects, balances community and educational needs
1.5 Maximum scope	Meet future secondary and future primary capacity requirements of Buckie ASG with a New Build 3-18 Community Campus that addresses Digital and Low Carbon aspects, balances community and educational needs in rationalising the estate.
<b>Service solution options</b>	Option 1: Do nothing Option 2: Minimum Refurbishment of existing building with new build extension.

	Option 3: Major Refurbishment of existing building with new extension Option 4: New build
<b>Service delivery options</b>	Option 1: Do nothing Option 2: In house design and delivery Option 3: Outsource design and delivery Option 4: Mix of in house and outsource design and delivery. Outsourced services if in house not available and VFM.
<b>Implementation options</b>	Option 1: Do nothing Option 2: Minimum refurbishment and extension by 2028 Option 3: Option 3: Major Refurbishment and Extension (Non-LEIP) by Dec 2027 Option 4: New build (Non-LEIP) by 2029 Option 5: Major Refurbishment and Extension (LEIP Stage 3) by Dec 2027 Option 6: New build (LEIP Stage 3) by Dec 2027 Option 7: Major Refurbishment and Extension (Non-LEIP) by 2029 Option 8: New build (Non-LEIP) by 2029
<b>Funding options</b>	Option 1: Do nothing Option 2: Reserves Option 3: Capital Borrowing Option 4: Capital Borrowing plus Scottish Government

**Table 6:** Long list – summary of inclusions, exclusions and possible options

#### 4.4 Scoping options

In accordance with the Treasury Green Book and Capital Investment Manual, the do nothing option has been considered as a benchmark for potential VFM.

An infinite number of options and permutations are possible; however, within the broad scope outlined in the SOC, only those in Table 6 have been considered in detail.

## 4.5 Short-listed Options

The summary of the assessment of the scoping options are set out in Table 7. The detail of the 'preferred' and 'possible' options are in the Economic Case at Appendix 1.

### Summary assessment of scoping options

Reference to:	Option 1.1	Option 1.2	Option 1.3	Option 1.4	Option 1.5
Description of Option:	Do Nothing	Minimum	Intermediate A	Intermediate B	Maximum
Objective 1	x	x	✓	✓	✓
Objective 2	x	✓	✓	✓	✓
Objective 3	x	x	✓	✓	✓
Objective 4	x	x	✓	✓	✓
Objective 5	x	x	✓	✓	✓
Objective 6	x	x	✓	✓	✓
CSF'S					
Business need	x	x	✓	✓	✓
Strategic Fit	x	x	✓	✓	✓
Benefits Optimisation	x	x	✓	✓	✓
Potential Achievability	x	x	✓	✓	✓
Supply side capacity	x	✓	✓	✓	✓
Potential Affordability	✓	✓	✓	✓	✓
Summary	Discounted	Discounted	Possible	Possible	Possible

Table 7: Summary assessment of scoping options

The 'preferred' and 'possible' options will be carried forward into the short list for further appraisal and evaluation. On the basis of this analysis, the recommended short list for further appraisal within the OBC is as follows:

- **Option 1.3** - Meet the secondary capacity requirements of Buckie ASG with Major Refurbishment and Extension that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.

- **Option 1.4** - Meet secondary capacity requirements of Buckie ASG with a New Build Secondary School & Community Hub that addresses Digital and Low Carbon aspects, balances community and educational needs
- **Option 1.5** - Meet future secondary and future primary capacity requirements of Buckie ASG with a New Build 3-18 Community Campus that addresses Digital and Low Carbon aspects, balances community and educational needs in rationalising the estate.

The indicative costs based on current market conditions and those at expected project completion (2028) are set out in Table 8.

## 5. Commercial Case

### 5.1 Introduction

The purpose of the Commercial Case is to demonstrate that the “option” will result in a viable procurement and well-structured Deal.

### 5.2 Required Services

The ‘preferred’ option will require a number of project services (including design, project management, contract management, supply chain management, change management, quality management) across the following project phases:

- Concept development/LEIP Phase 3 bid (Closing date 30 Oct 2022)
- Preparation and Brief (Royal Institute of British Architects (RIBA) Stage 1)
- Pre-Construction Design Phase (RIBA Stage 2-4)
- Mobilisation and Construction Phase (RIBA Stage 5)
- Handover and Close Out (RIBA Stage 6)
- Operational Phase (RIBA Stage 7)

The procurement strategy for RIBA Stage 1-6 is still to be fully determined. Property and Housing (Design), Finance (Procurement) and Education Resources and Communities (Learning Estate) will work together to develop a corporate procurement strategy to support the project and ensure value for money is robustly demonstrated in the future Outline and Full Business Cases.

OPTIONS			Base Cost 2022	Inflation Allowance to Financial Close 2026	Local Authority Funding Ratios			GIFA m2 (Uplift to metric in brackets)
					40%	45%	50%	
Option 2	MINIMUM	Minimum Refurbishment to B/B Standard	£ 24,100,000	£30,125,000	N/A	N/A	N/A	13,445 (As existing)
Option 3	INTERMEDIATE	Meet the secondary capacity requirements of Buckie ASG with Major Refurbishment and Extension that meets the LEIP requirements for Low Carbon and Digital aspects, balances community and educational needs.	£ 67,100,000	£ 84,700,000	£ 33,900,000	£ 38,100,000	£ 42,400,000	13,445 (As existing)
Option 4	INTERMEDIATE	Meet secondary capacity requirements of Buckie ASG with a New Build Secondary School & Community Hub that addresses Digital and Low Carbon aspects, balances community and educational needs	£ 66,600,000	£ 84,100,000	£ 33,600,000	£ 37,800,000	£ 42,100,000	14,498
Option 5	MAXIMUM	Meet future secondary and future primary capacity requirements of Buckie ASG with a New Build 3-18 Community Campus that addresses Digital and Low Carbon aspects, balances community and educational needs in rationalising the estate.	£ 75,700,000	£ 95,700,000	£ 38,300,000	£ 43,100,000	£ 47,900,000	18,398

**Table 8: Indicative Cost Models – Options**

The procurement strategy will consider proposed charging mechanisms (e.g. 'fixed price', 'payment of delivery of agreed outputs', 'incentive'); proposed standard contract type and key contractual issues.

## **6. The Financial Case**

More detailed financial analysis will be carried out in the Outline Business Case. The range for the assessed possible options indicates a required capital spend of between £66.6M - £75.7M on current market rates which based on current market uncertainty and inflationary forecasts would be in the range of £84.1M - £95.7M at earliest project completion of end 2027.

The project has to sit alongside other similar requirements across the Moray Learning Estate and will account for a significant proportion of the Councils Capital spend. Scottish government funding and support, in the form of the Learning Estate Investment Programme Stage 3 commitment is considered essential given the scale and scope of the overall project.

The overall levels of spend are higher than currently forecast in the Capital Plan and therefore may impact on the revenue budget of the Council requiring improved budget settlements and increased savings/cuts to accommodate this priority.

## **7. The Management Case**

### **7.1 Introduction**

This section addresses the 'achievability' of the Future Buckie HS project. Its purpose is to build on the project mandate by setting out in more detail the actions that will be required to ensure the successful delivery of the project in accordance with best practice.

### **7.2 Programme Management Arrangements**

The Case is an integral part of the Moray Council Learning Estate Strategy Delivery Programme, which comprises a portfolio of projects for the delivery of the Moray Council Learning Strategy.

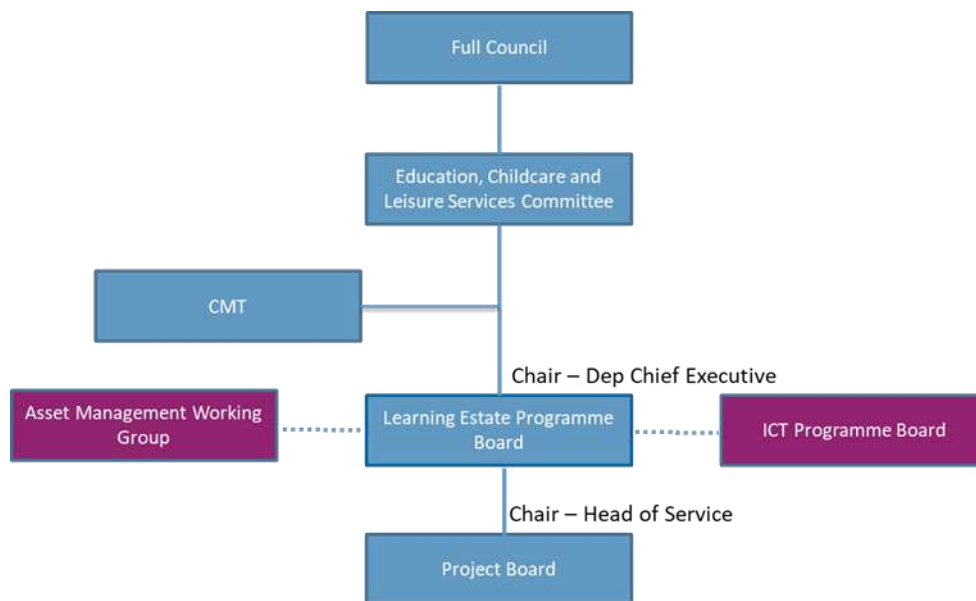
### **7.3 Project Management Arrangements**

The project will be managed in accordance with good Project Management methodology – this will incorporate Prince 2, Association of Project Management and Treasury Green Book best practise.

The project will be managed via a Future Buckie HS Project Board who will reported to the Learning Estate Programme Board that will in turn report to Education, Children and Leisure Services and Full Council.

#### **7.3.1 Project Governance and Reporting structure**

The proposed project governance and reporting structure is set out below:



### 7.3.2 Project Roles and Responsibilities

The Project Sponsor for the Future Buckie HS project will be Deputy Chief Executive (Education, Communities and Organisational Development) – Denise Whitworth.

The Senior Responsible Owner for the project will be Head of Education Resources and Communities – Joanna Shirriffs

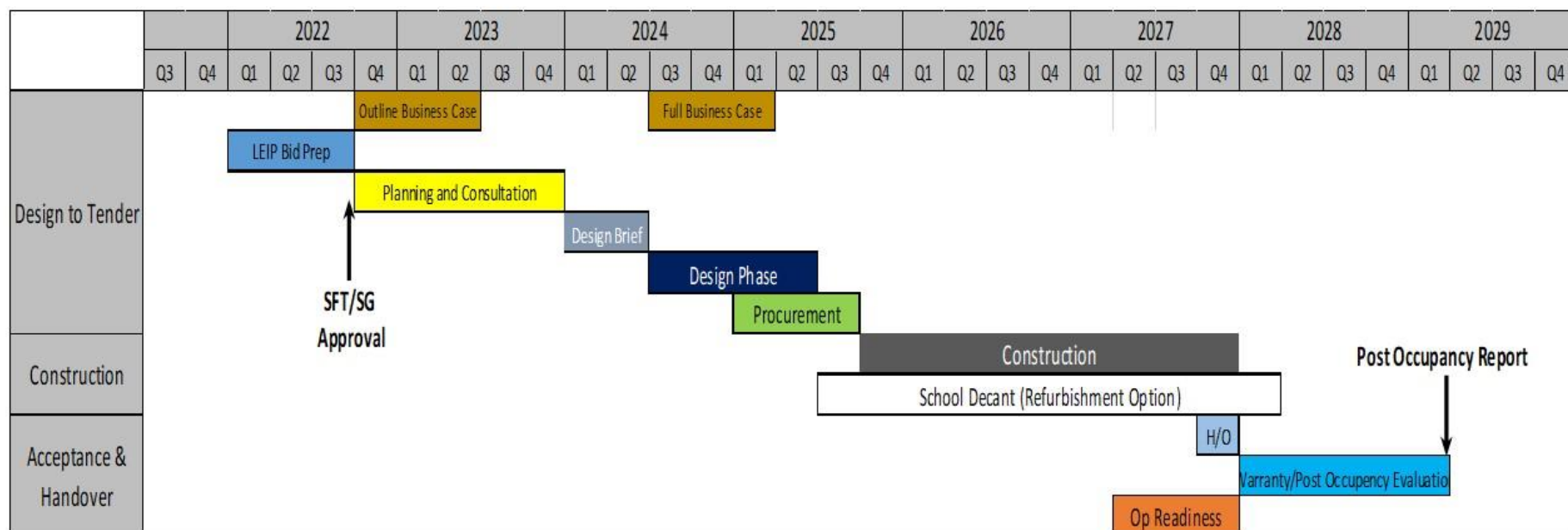
The Programme Manager (Learning Estate) - Andy Hall - will provide operational level oversight of project delivery and will be supported by a Learning Estate Project Manager.

A full Project RACI matrix will be developed for the Outline Business Case.

### 7.3.3 Project Plan

A high level indicative project plan is set out below. The project completion date of Dec 2027 is based on current LEIP Phase 3 requirements.





# Appendices

## Appendix 1: Economic Case