



**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES
COMMITTEE ON 14 MAY 2024**

**SUBJECT: LEARNING ESTATE STRATEGY - PROGRAMME DELIVERY
UPDATE**

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

1. REASON FOR REPORT

- 1.1 To provide the Committee with an annual update on the status of the Learning Estate Strategy Delivery Programme.
- 1.2 This report is submitted to the Council in terms of Section III (D) (1) of the Council's Scheme of Administration relating to all the functions of the Council as an Education Authority.

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) notes the annual update on the status of the Moray Learning Estate Delivery Programme;**
- (ii) notes the planned Capital budget investment to deliver the Programme;**
- (iii) approves the requirement for additional workforce resources to deliver the programme; and**
- (iv) agrees to recommend to the Corporate Committee approval of the allocation of funding from the transformation reserve to meet the costs of posts that require revenue budget for up to 3 years.**

3. BACKGROUND

- 3.1 'The Learning Estate Strategy 2022 to 2032' was approved by Moray Council on 28 September 2022 (para 15 minute refers). The Strategy took account of the themes within the previous 'Developing a Strategic Approach to the Learning Estate', and of current and developing priorities, including the Climate Change targets, and set out how the new Learning Estate Team would manage investment in our Learning Estate over the next 10 years to deliver the strategic vision for a Learning Estate "that is flexible and

inspirational that supports excellence and equity for all in Moray, building a better future for our children and young people, provision of life-long learning opportunities and provides the foundations for a growing and diverse sustainable economy’.

3.2 To meet these principles and determine the investment strategies in line with the Council’s 10 year capital plan the following factors are considered:

- Sufficiency - School Estate and Capacity Need
- Quality - School Condition and Suitability
- Efficiency and Sustainability – Energy, Net Zero Carbon and Repair and Maintenance
- Affordability

The location, as well as the design of facilities, contributes to energy reduction and achieving net zero, and local living; where people can meet the majority of their daily needs within a reasonable distance of their home, preferably by walking, cycling, wheeling or sustainable transport modes. This reflects the policies within the Scottish Government’s National Planning Framework 4 (NPF4) which aim to create sustainable communities where services are located within a walkable catchment which promotes healthier lifestyles and reduces the need for people to drive.

4. **STATUS**

Current Learning Estate Assessment

4.1 Currently the Moray Learning Estate consists of:

- 8 Secondary Schools
- 46 Primary Schools (1 currently mothballed)
- 63 Early Learning Centres – 24 are local authority managed (23 are in within Council settings with the exception of Lady Cathcart) and 39 partner provided (13 of these are tenants within school grounds or community buildings - with the exception of VIP)

Determining School Capacity - Primary Schools

4.2 An Information Report on Primary and Secondary School Capacity, Occupancy and General Purpose Spaces for 2023/24 was submitted to the Education, Children’s and Leisure Services (ECLS) Committee on 20 February 2024. It highlighted a change in methodology, to better align with Scottish Government’s 2014 [Determining Primary School Capacity](#) guidance and provide a more accurate indicator of current and future school capacities for planning.

4.3 Working Capacity is now used to determine annual school staffing resource need, the planning the methodology change does not impact this process. The Planning Capacity is the trigger for Developer Obligations currently where an intervention is required i.e. placement restrictions, rezoning, refurbishment, extension or new build then the threshold at which money will start to be taken from developments is currently 80% as set out within the Developer Obligations Supplementary Guidance 2020.

Determining School Capacity - Secondary Schools

- 4.4 The determination of Secondary School capacities follows a formula developed across a number of Scottish local authorities and is based on space standards, use of specific rooms and maximum class sizes.
- 4.5 The calculation is more complex as: the number of pupils in each year group changes each year; pupils make different subject choices each year; and, each subject area requires different and specific space (eg science v social subjects). Furthermore, it is impossible to have every classroom in a secondary school occupied 100% of the time – and to do so would severely restrict the curriculum.
- 4.6 The formula used to determine the number of usable spaces in a secondary school is dated and does not fully reflect the current curriculum. The Learning Estate team is currently reviewing the formula, in collaboration with our Northern Alliance partners, and wider Association of Directors of Education Scotland, to better inform our secondary school capacity calculation in the future. In addition, in order to better inform the Elgin High School extension project we have conducted analysis of the current timetabling and teaching space utilisation to determine future design improvements, effective space utilisation and better 'ways of working'. The same methodology will be adopted for future secondary school new builds and refurbishments.

Determining School Capacity – Additional Support Needs

- 4.7 Additional Support Needs (ASN) provision is provided within mainstream schools. Capacity for ASN provision is not currently detailed within Moray schools capacity reporting. There is no national guidance on how to calculate this; however, there are Scottish Negotiating Committee for Teachers (SNCT) recommendations on the number of children and young people in a class outlined in Annex 2.9 of the SNCT Handbook and is dependent on specific needs. The Learning Estate team are working with the ASN Team to determine the actual capacities of each school and to formalise assumptions and/or develop a formula for forecasting future requirements that could influence future school working capacities.
- 4.8 The Programme is cognisant that there has been a recent increase in numbers of children and young people that require some level of ASN support and this increase is anticipated to continue in the future. This need is already evidenced at Elgin High School, where the re-purposing of mainstream space to support ASN reduced the overall mainstream capacity of the school and necessitated a requirement for temporary modular accommodation and accelerated the need for a permanent capacity extension at the school.
- 4.9 The Learning Estate asset management and capital investment planning remain cognisant of the developing infrastructure requirements for ASN education support and are working with both Education and Property colleagues to determine these requirements that will align with the maturing Moray ASN Strategy.

School Roll Forecasts

- 4.10 The December 2023 School Census reports the planning capacity for the primary school estate is now 9913. There are 6677 primary children (in 2021 this was 6889) and therefore, in theory, 3236 surplus places. This gives an

average occupancy of 67.4% (68% in 2021). The primary school roll is forecast to further decrease to 6591 by 2031. This is not consistent across the 8 Associated School Groups (ASG) with some areas forecasting an increase in primary school children, by nearly 14% (Elgin HS ASG) and others have a declining primary school roll of 10% (Lossiemouth ASG), over the next 6 years. Other factors will impact on the overall surplus that can be incorporated into future operational planning including increasing ASN space provision and utilisation.

- 4.11 The same Census reports the planning capacity for the secondary school estate is now 6724. There are currently 5458 young people in secondary schools (5328 in 2021) and therefore in theory there are 1266 surplus spaces (1400 in 2021). This gives an average occupancy of 81.2% (79% in 2021). Again, there are differences across the 8 ASGs from a forecast increase of over 11% (Elgin HS) to small decreases of between 4% (Elgin Academy) and less than 2% (Lossiemouth HS, Milnes HS, and Speyside HS) over the next 6 years.
- 4.12 It is inevitable that there will be variations in capacity across the Learning Estate. However, pupil intake from catchment areas, placing requests (from out of catchment), proposals for new housing and local birth rates all have an impact, and this varies between the 8 ASGs in Moray. The Learning Estate team continue to review and analyse the school roll forecast every 6 months to identify any areas of concern – in terms of both increasing and decreasing future demands. This information will inform the development of any necessary future intervention actions for consideration by Committee.
- 4.13 Birth rates have declined (11%) over the last 4 years from a high of 825 registered births in 2018 to 736 in 2023.
- 4.14 The building output rate across Moray did decline during and after the COVID pandemic. Although the future forecast appears to show a recovery to pre-pandemic levels it is uncertain given a number of factors that will influence it including: the cost of construction; availability of skilled labour, both locally and nationally; and the increases and current uncertainty with residential mortgage rates and therefore housing demand.
- 4.15 The Learning Estate team, working with Planning (and local developers), will continue to regularly review the build out rate across a number of major housing developments in Elgin, Buckie and Forres and undertake sensitivity analysis and scenario planning to ascertain any changes and impacts on school rolls.
- 4.16 There are currently 9 primary schools in Moray operating with capacities below 50% planning capacity and forecasts indicate this number will rise to 11 schools over the next 5 years with a further 2 schools just above 50% (29% of all primary schools).
- 4.17 A key factor in managing current and future school roll capacity is out of catchment placing requests.
- 4.18 In Moray, 30% of primary school and 10% of secondary school pupils attend a school outwith of their catchment area. At the individual school level, 12

primary schools have between 30-50% of pupils from out of catchment and 4 schools have over 50% with one of these school operating with 74% of children from out of catchment. Detail on out of catchment numbers is set out on a school-by-school basis is at **Appendix 1**.

Building Condition

- 4.19 Building condition is concerned with the current state of the fabric of the school and with safety and security. Condition has a direct impact on what goes on in the school. Schools in good condition – irrespective of age or design – signal to all users (pupils, teachers, staff and community) that learning is a values activity, that the learning environment is a priority and often gives that all important ‘feel good’ factor.
- 4.20 The Property Asset Management team is currently engaged in completing Core Condition surveys for all schools. The surveys commenced in early 2022 and are planned to complete by February 2025. They are undertaken in line with the [Scottish Government Condition Core Fact](#) assessment methodology which considers a range of components and elements from the structural frame, mechanical and electrical equipment, through to the décor. Each component is consider separately and an overall rating is determined that range from:

A: Good	Performing well and operating efficiently
B: Satisfactory	Performing adequately but showing minor deterioration
C: Poor	Showing major defects and/or not operating adequately
D: Bad	Economic life expired and/or risk failure

A summary of overall Condition ratings for schools in Moray is set out in the table below.

No of Schools	A Condition	B Condition	C Condition	D Condition
53*	5	16	30	2

* 11 school surveys that that are 9 years or older

- 4.21 A more detailed breakdown of the current school conditions is set out in **Appendix 2**.
- 4.22 The Condition rating is a key factor in determining and directing forward improvement works planning and informing prudent and timely decisions on ongoing maintenance to enable delivery and sustainment of the quality and asset value of school buildings over the long term. For the past 10 years, the council has followed a “make do and mend” approach. However, over the last 12 months there has been a commitment for capital funding for school condition improvement. In order to address improvement across the whole Learning Estate this has been at the determined minimum level of annual investment (index linked) that is required for at least the next 15 years. Spend will be focused on the areas of highest need (with major fabric and component renewal focus together with health and safety and other statutory building requirements a priority) taking account of the sustainability of investment, complimenting any investment within the capital programme and general maintenance costs.

Building Suitability

- 4.23 Suitability assesses the usability of the school building and how the internal space and layout of the building helps support learning and teaching.
- 4.24 The assessment of Suitability covers a wide range of aspects in relation to learning and teaching, community use and health promotion. It takes into account the following physical issues:
- Internal environment (temperature, ventilation, lighting, finish, cleanliness etc.);
 - The size, flexibility, accessibility and number of different types of accommodation;
 - Location of spaces; and
 - Fittings and fixed furniture.
- 4.25 Suitability assessment are undertaken in line with the [Scottish Government Suitability Core Facts](#) guidance that assesses each school against an A to D category, with:

- A: Performing well and operating efficiently;
B: Performing well but with minor problems;
C: Showing major problems and/or not operating optimally; and
D: Does not support the delivery of services to children and communities

A summary of Moray schools is set out in the table below.

No of Schools	A Suitability	B Suitability	C Suitability	D Suitability
53*	39	14	0	0

* Majority of current assessments completed in 2019/20 so due reassessment over next 2 years.

- 4.26 There has been an improvement in the suitability over the last few years as there has been a focus of capital investment around the accessibility and the safety and security aspect of schools. Investment in further improvement and maintenance is a key focus for the future delivery programme.
- 4.27 A more detailed breakdown of the current school suitability assessments is set out in **Appendix 3**.

Affordability

- 4.28 A report to Moray Council on 24 January 2024 on the 2024-25 Capital Plan (para 11 of minute refers) noted a £40m capital budget requirement for financial year 24/25 and an overall 10 year capital investment in the Learning Estate of £383m to deliver new build projects, BB Condition/Suitability upgrade and refurbishment and repair and maintenance projects. Further significant capital investment in the BB Condition/Suitability upgrade projects would be required for a further 5 years (out to 2039). A breakdown of these capital costs is at **Appendix 4**.
- 4.29 The report stated that the prime cost driver for the Capital Plan is asset management and so the focus for reviewing the 10 year plan was asset management based. The potential areas of focus were identified as:

- Reduce the asset base
- Reduce the asset standard
- Lengthen the period over which capital is spent (effectively increasing the asset life)

4.30 In applying that focus to the Learning Estate the asset standard (condition and suitability) for schools is mandated as a B (satisfactory) minimum. In addition, if there is a reduction in planned upgrade works there is a risk the assets will continue to deteriorate and the risk likelihood of building failure will increase. The realistic options for the Learning Estate is therefore to reduce assets or lengthen programmes of work. The BB upgrade programme plan has now been extended from 10 to 15 years.

4.31 The 24 January 2024 Council report concluded the need to cap capital expenditure to contain the cost of borrowing within the agreed limit of affordability. A report on how the cap might operate will be brought to a future meeting of the Council. However, as the most significant element of the indicative 10 year plan is the Learning Estate the cap is likely to be brought most heavily to bear on planned investment in the Learning Estate and that without significant levels of Scottish Government funding the Council is unlikely to be able to achieve its aspirations.

Status - Conclusion

4.32 The overall status of the Moray Learning Estate is one of that reflects change and decline. Recent year-on-year falls in birth rates and minimal population growth leads to a forecast future reduction in a significant number of primary school rolls and under-utilisation of buildings. In a small number of schools there is a risk of short and longer term capacity issues that need to be fully assessed and mitigated. Capacity planning across Moray is further exacerbated by the significant number (17%) of primary school pupils on the school roll of out of catchment schools at parental request. A majority of these same schools are currently operating below the minimum condition standard required and need significant financial investment to upgrade and maintain, through informed and planned preventative asset management, and, in some cases, replacement of buildings and equipment, in order to avoid serious building failure and compromise education continuity. There is a requirement to review and rationalise the current learning estate, seeking options to ensure greater utilisation of school buildings and prioritise investment to achieve maximum and timely benefit and ensure that the future learning estate is affordable and sustainable - including meeting net zero commitments.

4.33 To be successfully accepted, any proposed future changes to deliver the future learning estate will require ongoing engagement and statutory consultation with stakeholders.

5. STRATEGY DELIVERY PROGRAMME

Strategy Update/Assessment

5.1 The requirement for the establishment of a Learning Estate Delivery Programme was in response to the approval of the 'Developing a Strategic

Approach to the Learning Estate' by Council on 16 December 2020 (para 5 of minute refers) and a number of key steps and actions detailed therein. A number of which have already been implemented or are address within in-progress projects or activities.

5.2 The adoption of a programme approach assigns accountability and responsibility to the delivery of the aims and objectives of the strategy and supports a robust governance framework to monitor progress against these and time and cost to ensure that at completion of the programme that Moray has a sustainable learning estate that is fit for purpose, sustainable and affordable.

5.3 The programme has a defined themes framework for a range of projects and supporting activities of work delivered individually and collectively to ensure an alignment of effort and to reduce the likelihood of duplication. The key programme themes are:

- New Build and Major Refurbishment
- Asset Management
- Net Zero Carbon Intervention
- Estate Rationalisation
- Engagement and Consultation
- Estate Transformation

Progress Updates

New Build and Major Refurbishment

5.4 A major capital cost to the Learning Estate Programme over the next 10-15 years will be associated with new build or major refurbishment projects to meet the future primary and secondary capacity requirements or to replace and/or refurbish an entire school or component buildings as that asset has reached or is close to life expired.

5.5 A number of new build projects are in various stages of design and development and a number of other new build and/or significant refurbishment projects will need to be considered over the next 10 years. These are:

Capital Project	Planned/ Earliest Operational Date	Status
Elgin Academy Capacity Extension	Aug 2026	Detailed design phase
Future Forres Academy	Jan 2028	Design Brief/Site Selection
Future Buckie High School	Aug 2029	Design Brief
Findrassie PS	Aug 2029	Concept design (Paused)
Elgin South Primary Capacity Expansion (Glassgreen PS)	Aug 2028	Options appraisal

- 5.6 The current estimate of capital required to deliver these projects is £259m. The Elgin High School Capacity Extension and the Future Forres Academy projects will receive financial support from Scottish Government under the Learning Estate Investment Programme (LEIP). It is estimated this could contribute up to £50m of funding although it should be noted this would be provided via a Revenue Based Funding Model over the first 25 years of the operational life of the new buildings rather than an upfront capital contribution.

Asset Management

- 5.7 As noted earlier in this report 32 out of the 53 schools in the Moray Learning Estate have been assessed as poor (C) or bad (D) Condition – an increase of 2 schools from previous years reporting. The Learning Estate Asset Management Group has been established to develop and manage a long-term condition and suitability upgrade programme of works that will take up to 15 years to deliver. It is also seeking to develop a long-term asset management plans for every school that will consider a planned preventative maintenance approach.
- 5.8 A priority list for condition upgrade works has been created based on an assumption of a £5m budget for financial year 2024/25 and year-on-year annual capital investment of £10m from financial year 2025/26 onwards and for at least the next 15 years. This investment will focus on building refurbishment and component replacement, together with any statutory requirement standards, and detailed works planning is in progress. It is estimated that the capital investment required to upgrade and maintain the school estate over the next 15 years could be as high as £190m.
- 5.9 Planned BB upgrade works for this year includes:
- Keith Grammar – Upgraded fire alarm system
 - East End Primary School – Replacement Windows and External Doors and External Wall Insulation
 - Milnes High School - Windows and lighting replacement and roof upgrade
 - Speyside High School - Windows and door replacement
 - Forres Academy - Toilet upgrades
 - East End Primary School, Millbank Primary School, Seafield Primary School and Aberlour Primary School - Drainage improvements
 - Bishopmill Primary School - sports hall floor replacement
 - Greenwards Primary School – air quality/ventilation improvements
 - Cullen Primary School B upgrade refurbishment (Phase 1 - design)
 - Mortlach Primary School (Phase 1 – design)

Final costings for each of the projects and affordability this year is still be determined. Any surplus will be allocated to BB upgrade design works to support 2025/26 and 2026/27 works planning.

Net Zero Carbon

- 5.10 The Learning Estate is acknowledged as a major contributor of carbon through inefficient energy buildings and use of fossil fuel heating sources. The programme is committed to meeting the Council targets for next zero through the adoption of a 'fabric-first' approach together with a phased replacement of

fossil fuel heating sources. The location of facilities also plays an important role in reducing or increasing carbon emissions.

- 5.11 In order to understand the 'fabric-first' requirements 5 primary schools (Cullen, Kinloss, Pilmuir, West End and Burghead) have been selected as building archetypes. This is a proof of concept cost benefit assessment of net zero invention opportunities. The technical approach adopted to do this is informed Enerphit retrofit analysis which has been successfully used by other local authorities in Scotland to benchmark their assets, including schools, for net zero carbon interventions.
- 5.12 Enerphit is a defined standard of thermal comfort, energy efficiency and climate protection that can be adopted and retrofitted to current infrastructure with specific reference to fabric, heating and ventilation refurbishment that would delivery net zero building performance. The analysis undertaken will provide a detailed assessment of the cost and performance value of various intervention strategies that can be evidenced to support future investment decisions.
- 5.13 No specific budget has been provided to support net zero intervention project; but it could add an additional £20m or more to the school condition upgrade programme. The challenge is to combine both upgrade design with net zero intervention strategies to achieve maximum benefit of capital investment e.g. upgrade/replacement roofing works is synchronised with roof insulation works. The Property Asset Management team is also exploring opportunities to bid into future funding schemes that support public sector building energy efficiency improvements.
- 5.14 Cullen Primary School is a pilot project to combine B condition upgrade and Enerphit retrofit building efficiency works. A detailed analysis report is expected in April to support detail design and planning in financial year 2024/25 and refurbishment works in financial year 2025/26. The project also bid for Scottish Government 2024/25 SALIX funding to support the energy efficiency elements of the upgrade. Although the Council's detailed application was not successful at this time the option was given to convert to a concept application. This has been done and the application has been successful. This means that funding has been reserved for the project however the funding is conditional on the submission of an updated detailed application and a full technical assessment of the revised application which will be submitted before the deadline of 19 May 2024-

Estate Rationalisation and Engagement

- 5.15 The Learning Estate rationalisation project seeks to determine what form a future sustainable and affordable learning estate will take. It takes account of the factors discussed earlier in this report such future school rolls, capacity and need, building utilisation, condition, suitability, efficiency and affordability. This determination of the future learning estate will be undertaken in collaboration with all stakeholders to support the development of options for recommendation to elected members for consideration and approval. This could see options to repurpose spare capacity in schools, rezoning to better utilise capacity across ASGs, mothballing of schools that are not able to deliver equitable education benefit and school mergers or any combination of those. School closures options cannot be ruled out but are a considered a

final option if all other options to deliver a sustainable and affordable school are not viable.

5.16 The Learning Estate team are currently engaged in an extensive stakeholder engagement exercise across the 8 ASG to support the collaborative development of future options. This takes the form of briefings, online surveys, drop-in community information sessions and stakeholder focus groups together with the sharing of all detailed data and information relevant to the learning estate. Forres ASG and Buckie ASG engagements are currently in progress and the details of future engagement activity dates is set out below.

Month	ASG							
	Forres A	Buckie HS	Elgin (HS and A)	Keith G	Speyside HS	Milnes HS	Lossiemouth HS	
Sep-23	Survey Prep							
Oct-23	Forres Community Engagement							
Nov-23								
Dec-23								
Holidays								
Jan-24	Analyse Survey	Survey Prep						
Feb-24	Forres Focus Group	Buckie Community Engagement						
Mar-24								
Holidays								
Apr-24		Analyse Survey	Survey Prep					
May-24		Buckie Focus Group	Elgin Community Engagement					
Jun-24								
Holidays								
Jul-24			Analyse Survey					
Aug-24								
Sep-24			Elgin Focus Group	Survey Prep				
Holidays					Keith Community Engagement			
Oct-24					Survey Prep			
Nov-24								
Holidays								
Dec-24					Analyse Survey	Speyside Community Engagement	Survey Prep	
Jan-25					Keith Focus Group	Milnes Community Engagement	Survey Prep	
Feb-25							Lossiemouth Community Engagement	
Mar-25						Analyse Survey		
Holidays					Speyside Focus Group			
Apr-25						Milnes Focus Group	Analyse Survey	
May-25							Lossiemouth Focus Group	
Jun-25								

5.17 Options and recommendations will be reported to Elected Members at various stages over the next 18 months for review and approval of next step options.

Consultations

5.18 Some proposed future changes (e.g. rezoning, merging and closure) to the Learning Estate would require formal consultation in accordance with the Schools (Consultation)(Scotland) Act 2010. Although the Council will be responsible for approving the final recommendation for change the final decision with Scottish Government Ministers who need to be convinced of the education benefits of change.

5.19 Anticipated formal consultations expected take place over the next 12-18 months, dependent on resource available to support, are:

- Future of Crossroad Primary School
- Rezoning of Cluny Primary School and Millbank Primary School
- Future Forres Academy change of location

- 5.20 Any additional formal consultations will be dependent on proposed outcomes of the ongoing ASG engagements on estate rationalisation.

Estate Transformation

- 5.21 With the current and expected future under-utilisation of some areas of the Learning Estate there is an onus on the programme to ensure the best use of the existing assets and to review opportunities for shared use and multi-tenancy models in the future that could provide revenue savings or income generation and offset the cost of ownership of the learning estate assets.
- 5.22 Due to resourcing constraints, this programme theme has not been progressed beyond initial meetings with other Council services and partner organisations. With proposed additional resource there would be a renewed focus and effort over the next 12 months in this area in order to inform any future new build and refurbishment activity so that it considers the creation of adaptable and flexible spaces within some schools together with delivery of shared access security models.
- 5.23 Initial engagement will target the other Council Services, Community Planning Partnership and Blue light services – some of whom have previously expressed some interest in shared use of school buildings.

Programme Progress Status

- 5.24 The Learning Estate programme delivery themes are linked dependent on a detailed understanding of a number of key factors that will impact investment decisions and their priority. These factors are capacity, condition and suitability. It has already been noted that the Moray Learning Estate programme environment is one that reflects change and decline both of which need to be managed.
- 5.25 The current new build capital investments, the extension at Elgin High School and a new build Forres Academy, reflect interventions to address capacity need and failing building condition respectively. These major investments by the Council are financially supported by up to 50% of the construction costs as part of the Scottish Government's Learning Estate Investment Programme. This funding is outcome-based funding over 25 years and the Council will meet the full initial capital cost.
- 5.26 Future new build capital investments requirements include Future Buckie High School and potential new build primary schools in Elgin (Glassgreen and Findrassie), and these would also address capacity need and failing school building. However in light of affordability challenges the future design and options for delivery need to be fully justified and evidenced.
- 5.27 The poor condition of the majority of existing schools reflects the low investment in asset management over many years. The ongoing condition survey activity is providing detailed information to support the development of short, medium and long term asset management plans and these surveys will be complete in early 2025. A number of schools have been prioritised for condition upgrade work for 2024/25 and 2025/26 and further asset management plans will be developed over the next 12-24 months to facilitate

upgrade and maintenance planning over the next 5-10 years. However, progress in this area assumes the support provided by the appointment of a dedicated learning estate asset manager.

- 5.28 The cost of ownership of the current learning estate is significant. The in-progress ASG level engagement with all learning estate stakeholders is informing the estate rationalisation task and options development process and although some early options may be presented to councillors for consideration some will take longer to develop. As part of this, the promotion and adoption of shared use assets are an option to address under-utilisation of the estate. With support from other services and partner agencies opportunities for share used will be jointly investigated over the next 6 months.

6. PROGRAMME STAFF RESOURCING

- 6.1 The initial staffing plan for the Learning Estate team only considered the development of the strategy not the actual capacity to delivery it. The current team configuration is unable to deliver all aspects of the strategy as the programme develops for implementation of multiple projects. Without additional staff resource a number of programme activities will be delayed or deferred – with the risk of incurring ongoing Learning Estate costs elsewhere. The table below indicates the current team resource and proposed additional resource.

	FTE	2024	2025	2026	2027	2028	Funding	Responsibility
Current								
Learning Estate Programme Manager	1.0	Green	Green	Green	Green	Green	Revenue	LEIP3 Project Manager Forres Academy Schools B Upgrade Projects/ASN/ELC/PPP Schools Management Engagement and Consultation Community and Stakeholder Management Programme and Project Communications and Engagement
Senior Project Officer - New Projects	1.0	Green	Green	Green	Green	Green	Capital	
Senior Project Officer - Existing Schools	1.0	Green	Green	Green	Green	Green	Revenue	
Community Support Officer	0.6	Green	Green	Green	Green	Green	Revenue	
Communications and Engagement Officer	1.0	Green	Green	Green	Green	Green	Revenue	
Total	4.6							
Future								
Asset Manager	1.0	Blue	Blue	Blue	Yellow	Yellow	Capital	BB Upgrade and Maintenance Management and Planning
Project Manager - New Projects	1.0	Blue	Blue	Blue	Blue	Yellow	Capital	Elgin HS Extension Project Manager/ELC Projects
Education Support Officer	0.5	Blue	Blue	Blue	Blue	Yellow	Revenue	Statutory consultation education support
Design and Delivery Support (Education)	0.5	Blue	Blue	Blue	Blue	Yellow	Capital	New build projects design support and operational readiness planning
Project Support Officer	0.5	Blue	Blue	Blue	Yellow	Yellow	Revenue	Programme and Project Admin
Community Support Officer	0.4	Green	Green	Green	Green	Green	Revenue	Engagement and Consultation Community and Stakeholder Management
Revised Total	8.5							

	Permanent
	Term
	Option to Extend

- 6.2 The Community Resource Officer (0.4xFTE) is already budgeted from within the Learning Estate staffing resource budget and recruitment is in progress. The Project Support Officer role will be fulfilled by the reallocation of current resources from the corporate Project Management Office which can be accommodated as a result of the conclusion of a number of projects. This

may require to be reviewed in future should there be an expansion of the corporate transformation work but would be considered at the appropriate time. These posts, together with the additional 0.5FTE Education Support Officer will facilitate the existing learning estate rationalisation projects – including future options appraisals and the associated statutory consultation processes associated with Crossroads future, possible rezoning within Buckie ASG and potential rezoning of Elgin HS primary school catchment.

It is proposed that the 0.5 ESO post is funded from the Transformation Reserve for a temporary period of up to 3 years.

7. SUMMARY OF IMPLICATIONS

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

This report supports the LOIP outcomes of building a better future for children and young people in Moray and growing a diverse and sustainable economy. Together with the aims of the Corporate Plan to review and transform the learning environment.

(b) Policy and Legal

The Schools (Consultation) (Scotland) Act 2010 sets out the legal requirements for consultation on relevant proposals that will result in major change to schools. Any engagement and consultation activity focussing on options within ASGs and for individual schools will follow the legal requirements as set out in this Act.

The principle of seeking developer obligations for education infrastructure is not altered by revising the methodology to calculate capacities in accord with the Scottish Government's 2014 guidance. The impact is that this will likely result in a differential between the planning capacity and the current physical capacity. In the majority of cases the planning capacity is lower than the physical capacity which means there is less capacity available in schools to accommodate pupils arising from new developments, and this may impact on the level of developer obligations sought.

(c) Financial implications

Capital

The Council at its meeting on 24 January 2024 noted the need to cap capital expenditure to contain the cost of borrowing within the agreed limit of affordability. A report on how the cap might operate will be brought to a future meeting of the Council. However, as the most significant element of the indicative 10 year plan is the Learning Estate the cap is likely to be brought most heavily to bear on planned investment in the Learning Estate and the report on 24 January noted that without significant levels of Scottish Government funding the Council is unlikely to be able to achieve its aspirations for the Learning Estate.

Revenue

When the Council approved the budget for 2024/25 on 28 February 2024 (paragraph 7 of the Minute refers) it balanced only by using reserves.

The indicative 3 year budget shows a likely requirement to continue to make savings in the order of £13 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 committee 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.

As the budget has been balanced using reserves and reduced free general reserves to the policy minimum, this would use further earmarked reserves of approximately £40,000 in 2024/25 and increase savings required in 2025/26 if approved.

The proposed increase in Learning Estate staffing resource would cost a minimum £266,125. This is broken down into estimated capital cost (that can be accommodated within specific project budgets) of £198,208/year and an estimated minimum revenue cost of £67,917. A breakdown of these costs is set out in the table below. The table in Para 7.2 identifies permanent or temporary status for these expanded Learning Estate team roles.

Role	Grade	FTE	Annual Cost	Revenue/Capital
Asset Manager	11	1.0	£75,920	Capital
Project Manager	11	1.0	£75,920	Capital
Education Support Officer	ESO 3	0.5	£ 37,175	Revenue
Dep Head Teacher	Point 8 Scale	0.5	£46,368	Capital

The 0.4FTE community support officer is already funded through Learning Estate staffing budget although the post has not yet been established and the Project Support Officer is met from existing resources.

It is proposed that the funding for the Education Support Officer is taken from the Transformation Reserve, subject to approval from the Corporate Committee.

(d) Risk Implications

The following risks are already identified and should be noted:

- Project indicative costs take account of current market uncertainty and inflationary forecast. There is a risk of continuing market uncertainty through the life of the programme, with a consequential

impact on costs. With the programme duration extended to 15 years there is an increased risk of future market uncertainty.

- The affordability risk has been identified within the Finance implications.
- The programme anticipates and is planning for change. The majority of change within the Learning Estate will need to be undertaken in accordance with the 2010 Statutory Guidance. There is a risk of local stakeholder challenge, non-agreement to change by elected members and Scottish ministers overturning a Council recommendation. To mitigate this risk, consistent and persistent robust stakeholder communication and engagement is key to ensure all parties are aware and supportive of the benefits of change.
- Changes to current proposals for new schools, extensions or rezoning as a result of changing school roll forecasts may result in developer obligations having to be paid back to developers.
- Changes to current proposals may result in the inability to deliver on NPF4 policies in regard to local living, placemaking, health and well-being and the transition to net zero.

(e) Staffing Implications

Increased staffing proposals are set out in the body of the report.

(f) Property

The property implications are set out in the body of the report.

(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.

The Learning Estate Strategy requirement is that all school buildings meet minimum standards and are fit for purpose.

Any future change to the Learning Estate that would come under the 2010 Statutory Guidance will be required to have completed an Integrated Impact Assessment.

(h) Climate Change and Biodiversity Impacts

All aspects of the Learning Estate programme will be aligned with current and future Council policy on climate change and biodiversity.

(i) Consultations

Head of Governance, Strategy and Performance, Chief Financial Officer, Head of Education (Chief Education Officer), Head of Housing and Property, Head of Economic Growth and Development, Legal Services Manager, Equal Opportunities Officer and Caroline O'Connor,

Committee Services Officer have been consulted and the comments received have been incorporated into the report.

8. CONCLUSION

- 8.1 **The Committee is asked to note the current status of the Moray Learning Estate and the ongoing programme to deliver a sustainable and affordable school estate that meets the educational needs of the future. A significant capital investment spread over at least 15 years is required to support the programme and the detailed investment is qualified and quantified for review. Finally, to assist in the effective and efficient delivery of the projects within the strategic programme the Committee is asked to agree the request for additional staff resources for the Learning Estate Team.**

Authors of Report: Andy Hall, Programme Manager (Learning Estate)

Background Papers: Information Report to ECLS Committee on 20 February 2024: [Primary and Secondary School Capacity, Occupancy and General Purpose Spaces 2023/24](#)

Ref: