



**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES
COMMITTEE 19 SEPTEMBER 2023**

**SUBJECT: LEARNING ESTATE STRATEGY AND DELIVERY PROGRAMME
UPDATE – FUTURE FORRES ACADEMY AND BUCKIE HIGH
SCHOOL**

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

1. REASON FOR REPORT

- 1.1 To inform the Committee on the status of the Learning Estate Investment Programme (LEIP) Phase 3 project funding bids for Future Forres Academy and Future Buckie High School and to seek budget approval for proposals (**Appendix 1** and **Appendix 2**) to engage external consultancy from Hub North Scotland Limited (HNSL) to undertake feasibility studies and outline business case development.
- 1.2 This report is submitted to Committee in terms of Section III (D) (17) of the Council's Scheme of Administration relating to the School Estate to consider and make recommendations on capital and minor works programmes within the remit of the committee.

2. RECOMMENDATION

2.1 It is recommended that Committee:

- i) Notes that while Council awaits an investment decision in terms of the Scottish Government's Learning Estate Investment Programme (LEIP) Phase 3, Officers seek to progress work on Future Forres Academy and Future Buckie High School projects;**
- ii) Approve project capital funding to be released for appointment of external consultancy support to support feasibility studies and development of Outline Business Cases for both projects;**
- iii) Agrees to the appointment of Hub North Scotland Limited to provide this consultancy support within the Strategic Support Partnering Services under the contractual terms of the Territory Partnering Agreement;**

iv) **Notes that following the announcement from the Scottish Government on LEIP Phase 3 bids revised project timelines will be communicated to this Committee; and**

(i) **Notes that the Outline Business Cases will be presented to the Education, Communities and Leisure Services Committee on completion of the feasibility studies.**

3. BACKGROUND

3.1 At the Economic Growth, Housing and Environmental Sustainability Committee Meeting on 24 August 2021, it was agreed to bring forward capital budget for schools (£25,000) to fund Hub North Scotland Limited (HNSL) support to the LEIP Phase 3 submission process with a focus on Forres and Buckie Associated Schools Group (para 18 of the minute refers).

3.2 The Council approved at the meeting on 28 September 2022 a LEIP Phase 3 bid submission to Scottish Government prior to the closing date of Monday 31 October 2022 (para 26 of the minute refers). The submission supported future options for Buckie High School and Forres Academy – both with already approved Project Mandates - with no preference for either project indicated. It was noted that the possible outcome options of the bidding process were 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.

3.3 In the event of only a single project being successful it was 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.

3.4 At the Special meeting of Education, Children and Leisure Services Committee meeting held on 7 November 2022 it was acknowledged that there would be benefits of delivering both projects earlier than currently planned; however, it was noted that the delivery of the Future Forres Academy project earlier would mitigate the significant risks relating to the current school condition in terms of school operation and annual repair and maintenance costs. Consequently, Forres Academy was identified as the priority project for LEIP 3 funding should only one project be successful in the bidding process (para 4 of the minute refers).

3.5 Due to the similar deteriorating condition of the current Buckie High School the Learning Estate Programme continue to progress the Future Buckie High School project as an investment priority for the Council despite the lower LEIP funding priority status.

3.6 A decision on LEIP Phase 3 funding was expected by end 2022; however due to a number reasons this has been delayed. It is currently anticipated that a

decision will be made within the next couple of months, however, no date has been advised for this. The delayed decision is expected to see the operational completion dates for LEIP Phase 3 projects moved to 2028.

4. NEXT STEPS - PROPOSAL

- 4.1 While a decision from the Scottish Government is awaited there is a requirement, irrespective of the LEIP Phase 3 decision, to progress the development of the project brief and outline business case for both the Future Forres Academy and Buckie High School projects.
- 4.2 Given the scale, scope and potential cost risks associated with progressing the design, build and operational assessment management of these projects it is proposed to engage HNSL to undertake a project feasibility/project definition for both projects. HNSL were successful in supporting the Moray Council LEIP 3 Scottish Government submissions, are working with other local authorities within the Northern Territory Partnership on similar work and have acted on behalf of Moray Council to deliver recent projects of similar scale, Lossiemouth High School and Elgin High School.
- 4.3 HNSL is one of the five public-private partnership companies set up across Scotland. Developed as a Scotland-wide initiative, led by Scottish Futures Trust (an executive non-department public body of the Scottish Government), to support new community infrastructure delivery. The establishment of the HNSL Framework was procured in compliance with OJEU requirements and establishes the structure and agreements for collaborative working underpinned by our Shareholder Agreement and Territory Partnering Agreement.
- 4.4 HNSL were asked to develop a Strategic Support Partnering Services ('SSPS') proposal for the Council under the terms of the established Territory Partnering Agreement to support the next phases of both projects. The detailed HNSL proposals are provided as Background Papers. The high level scope and extent of this SSPS is to provide development management services for these projects over the following two phases (which will be undertaken concurrently):
 - **SSPS Phase A – Project Definition (Royal Institute of British Architects (RIBA) Stage 0)**
Visioning and strategy definition, existing information analysis, development of education briefing, lessons learnt analysis and desktop appraisal of site options. Building on the exercise completed to support the LEIP 3 Funding application and Strategic Options Case.
 - **SSPS Phase B – Outline Business Case (RIBA Stage 1)**
Visits to recently completed facilities, site appraisals and recommendations, updated programme, RIBA Stage 1 Design (to be used on any of the site options) together with M&E Services Strategy and Cost Plan.
- 4.5 The key deliverables from Phase A and B would be a detailed Design Brief and Outline Business Case (with updated cost model) respectively. Progress

update reports would be provided to the Committee following the completion of each phase. The target completion date for Phase A and Phase B is end Mar 24.

5. **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 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 set out by Scottish Government at **Appendix 1**.

The estimated cost to support the SSPS proposal breakdown as follows:

	Future Forres Academy	Future Buckie High School	Total
Phase A - Project Definition	£33,228	£32,728	£65,956
Phase B - Outline	£46,202	£42,702	£88,904

Business Case			
Totals	£79,430	£75,430	£154,860

The total fee proposal from HNSL to take the both projects to RIBA Stage 1 and Outline Business Case is £154,860 with all spend planned within financial year 2023/24. This is within the approved financial year 23/24 capital funding of £654,000 allocated to the Learning Estate Strategy Delivery Programme.

(d) Risk Implications

There are no significant risks arising from this report. Progression of the feasibility studies and business case development will be required regardless of LEIP Phase 3 funding being secured or not.

(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.

(f) Property

There are no property implications arising from this 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.

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 outline business cases 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

Although there are no immediate climate change implications directly arising from this report both projects supported by this proposal are fully cognisant of the need to attend to the embodied carbon impacts during construction and whole life operational carbon use of the future infrastructure. 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 Phase 3 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 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

Chief Financial Officer, Head of Education (Chief Education Officer), Head of Environmental and Commercial Services, Head of Housing and Property, Head of Economic Growth and Development Services, Head of Governance, Strategy and Performance, Democratic Services Manager, Equal Opportunities Officer and 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.

6. CONCLUSION

6.1 While the Council awaits the outcome of its bid submissions for Scottish Government's Learning Estate Investment Programme (LEIP) Phase 3 funding there remains the requirement to progress work on the Future Forres Academy and Future Buckie High School projects.

6.2 Approval is sought for the release of capital funding to facilitate the appointment of external consultancy support to the project feasibility studies and development of Outline Business Cases for both projects. It is recommended that Hub North Scotland Limited are appointed to provide the consultancy support within a Strategic Support Partnering Services under the contractual terms of the Territory Partnering Agreement.

6.3 An update report will be submitted to Committee on completion of the project feasibility studies and Outline Business Cases.

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Background Papers:

- 1: Hub North Scotland Limited - Strategic Support Partnering Services Proposal for Future Forres Academy Project
- 2: Hub North Scotland Limited - Strategic Support Partnering Services Proposal for Future Buckie High School Project

Appendix 1: Learning Estate Investment Programme (Phase 3) – Outcome-based Funding Criteria

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