



**REPORT TO: EDUCATION, COMMUNITIES AND ORGANISATIONAL
DEVELOPMENT COMMITTEE ON 3 FEBRUARY 2021**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES AND
EDUCATION CAPITAL BUDGET MONITORING REPORT TO 31
DECEMBER 2020**

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

1. REASON FOR REPORT

- 1.1 The purpose of this report is to inform Committee of projects and proposed expenditure for Capital Budgets within Education Resources and Communities and Education for 2020/2021.
- 1.2 This report is submitted to the Education, Communities & Organisational Development Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Children and Young People's Services, Governance, Strategy and Performance (paragraph 9 of the Minute refers).

2. RECOMMENDATION

- 2.1 It is recommended that the Committee scrutinises and notes the contents of the report.**

3. BACKGROUND

- 3.1 It is the practice of this Committee to receive regular reports both providing an update on the current financial position of the capital programme and seeking approval to implement projects when they arrive at a suitable point of development.
- 3.2 At the meeting of the Moray Council on 3 March 2020 (paragraph 2 of the minute refers) Council approved the capital plan for 2020/21.
- 3.3 The capital budgets covered in this report and a list of the major projects from this financial year are contained within the Education Resources and Communities and Education Capital Plan under **APPENDIX I**.

4. **BUDGET FOR 2020/21**

- 4.1 The total approved Capital Budget for Education Resources and Communities and Education for financial year 2020/21 is as follows:-

	20/21 £000
Land & Buildings	20,766
Vehicles, Plant & Equipment	99
Totals	20,865

- 4.2 Actual expenditure up to 31 December 2020 including carry forwards from 2019/20 is £14.066m.

5. **MAJOR PROJECTS**

Schools Essential Maintenance Programme:

- 5.1 The schools maintenance programme for 2020/21 was agreed and well progressed in discussion with the appointed Contractor when the COVID-19 crisis commenced in March. Senior Management made the decision to suspend all internal works in schools for the summer of 2020, particularly when critical preparations for the safe return of pupils in August was considered highest priority. The Contractor had placed orders for materials when lock down commenced. Payment was made for this, with all other works postponed until summer 2021.
- 5.2 Housing and Property Services have commenced preparations to substitute essential maintenance projects to external building fabric repairs that can be carried out safely during school term time, to utilise budget capacity in 2020/21 and these will continue into 2021/22.
- 5.3 At the meeting of this Committee on 25 November 2020 (paragraph 27 of the draft minute refers) additional external building fabric projects approved based on current condition and maintenance assessments were:
- Hythehill Primary School – new external render
 - East End Primary School – new windows and external render
 - Milnes High School – replacement flat and pitched roofing
 - Pilmuir Primary School – replacement flat and pitched roofing
- Negotiations with the appointed Essential Maintenance Programme Contractor have commenced and indicative budget estimates are noted on **APPENDIX II**.
- 5.4 Current projections indicate a spend of £0.697m for 2020/2021 including the additional approved building fabric projects. This reflects delays due to the second COVID lockdown.
- 5.5 A programme of planned works for the Learning Estate has been developed for 2021/22. The programme will consist of the postponed internal works from this year and the external building fabric projects in paragraph 5.3. These works would be phased in such a way that the programme could adapt quickly if further COVID-19 restrictions were put in place that affected the schools or

the construction industry either locally or nationally. **APPENDIX II** sets out these works in more detail.

6. NEW BUILD (SCHOOLS)

Lossiemouth High Replacement Project:

- 6.1 The project has been delayed and reprogrammed following the impact of the COVID-19 government restrictions. Phase one of the project has been delayed by 26 weeks and the revised completion date for this phase is 12 February 2021. The school will move into the new building during the Easter holidays and it will be occupied from 12 April 2021. The second phase of work will then begin with a completion date of 21 March 2022, a delay of 32 weeks.
- 6.2 The contract entitles the contractor to costs due to the delays experienced following the COVID-19 government restrictions. These costs are currently being negotiated between the Council and hub North Scotland. The costs will be substantial, however remain commercially sensitive until agreement is reached. Once agreement is reached, these figures will be reported to Committee and will be shown in a separate line within the Capital Plan.
- 6.3 The Scottish Government (SG) are funding two thirds of the project and have been approached by the Council to contribute to the additional COVID-19 costs. The Scottish Government have requested that agreement is reached with hub North Scotland before they will fully consider the request. Negotiations are at an advanced stage with only a small number of areas to be agreed.
- 6.4 The phase one works are almost complete, telephone lines were due to be installed on 19 January 2021. The telephone lines are being installed by Openreach and are on the critical path for the planned completion date and any delay will impact the handover. Officers have contacted Openreach to ensure they are aware of the importance of adhering to installation dates. At the point of submitting this report, this work has not commenced. A delayed handover at this stage will not immediately impact the decant of the school which is planned in the Easter holidays. Officers have escalated the matter with Openreach and continue to monitor the situation.
- 6.5 Staff visits from the current school have been put on hold because of the restrictions on site due to COVID-19. However, a fly through video has been produced and posted on YouTube and is available for the public, members and staff to show progress and familiarise themselves with the building.

Linkwood Primary School:

- 6.6 The handover date of 18 November 2020 was not achieved and was verbally reported to this Committee on 25 November 2020. A briefing was also provided to the Transforming Learning Board on 18 January. Handover was delayed because Officers were not satisfied with the water safety within the building. Following additional testing and the receipt of the appropriate certification, the building was handed over to the Council on 8 December 2020. Arrangements for the decant of the existing school took place on 12 January 2021 and the school became operational on 14 January 2021.
- 6.7 The delayed handover impacted moving arrangements for pupils, parents and staff as well as the reputational damage to the Council. A review has been

carried out to establish if officers could have been aware of this potential issue at an earlier date.

- 6.8 Officers are currently establishing any costs incurred due to the delayed handover in order that these are recovered from hub North Scotland. Meetings are ongoing to ensure that the handover of Lossiemouth High School is not impacted by similar issues.
- 6.9 The contract entitles the contractor to costs due to the delays experienced following the COVID-19 government restrictions. These costs are currently being negotiated between the Council and hub North Scotland. The costs will be substantial, however, remain commercially sensitive until agreement is reached. Once agreement is reached, these figures will be reported to Committee and will be shown in a separate line within the Capital Plan.
- 6.10 The Scottish Government (SG) are not funding the project, but they have been approached by the Council to contribute to the additional COVID-19 costs. The Scottish Government have requested that agreement be reached with hub North Scotland before they will fully consider the request. Negotiations are at an advanced stage with only a small number of areas to be agreed.

Findrassie Primary School

- 6.11 At the special meeting of the Moray Council on 9 October 2020 (paragraph 4 of the minute refers) Council approved that a new Primary School at Findrassie would be the priority project submitted to the Scottish Government Learning Directorate for funding through the Learning Investment Programme (LEIP). On 18 December 2020, the Scottish Government announced that Findrassie Primary school was one of 25 projects, which had been awarded LEIP funding. Preparations are underway to begin consultation on the project within the Elgin Academy ASG.

7. EARLY LEARNING CHILDCARE EXPANSION

- 7.1 The Early Learning Childcare (ELC) Capital Programme includes 4 new build nurseries and 7 refurbishments. Projects are now complete at:

- Lady Cathcart, Buckie;
- Lhanbryde Primary;
- Burghead Primary;
- New Elgin Primary;
- Cullen Nursery; and
- Mortlach Primary, Dufftown

Pilmuir Nursery

- 7.2 The new nursery building is complete and has been operating from August 2020 with the refurbishment element progressing to a revised completion date of 29 January 2021.

Keith Nursery

- 7.3 Work started on site for the new build nursery on 31 August 2020 and is programmed to complete 9 July 2021.

- 7.4 Mosstodloch Primary School Nursery
Layout plans have been agreed and the project is currently being tendered with an anticipated start on site in February 2021. This is a refurbishment project within the school building and the start date will be reviewed depending on the COVID-19 government restrictions and guidance in place.

- 7.5 Aberlour Primary School Nursery
Layout plans have been agreed and a Planning Application has been submitted. Listed Building consent has been received. Tender documentation is being prepared and negotiations with the contractor are underway. To carry out the full refurbishment and extension the Council and private nursery require decant accommodation within Aberlour. An options appraisal for the decant accommodation is currently being undertaken with a site adjacent to the Primary School identified for the Council nursery and a site adjacent to the High School identified for the private nursery.

8 LEISURE AND LIBRARIES

- 8.1 Gladstone Integration Project
This project is nearing completion. The database system has been integrated from the customer perspective with background configuration work currently being finalised.

- 8.2 Moray Leisure Centre Fabric Condition Survey
A condition survey has been completed to establish the condition of the fabric of the Leisure Centre building. This was deemed appropriate given that the Council owns the building and there is a need to identify future maintenance commitments and potential costs.

- 8.3 Milnes Fitness Suite Upgrade Equipment
New fitness room equipment has now been ordered for the fitness suite at Fochabers and is awaiting delivery and installation.

9 SUMMARY OF IMPLICATIONS

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

This report supports the Council's corporate working principles of efficiency, effectiveness and economy.

(b) Policy and Legal

Future programmes of work funded from the Capital Programme will require policy decisions to help inform how schools' projects will be prioritised and in the case of refurbishments, to what standard.

(c) Financial Implications

The approved capital budget for 2020/21 is £3.2m. This report provides updates on all key areas of spend.

(d) Risk Implications

The school estate (excluding new build) continues to deteriorate. The level of investment that the Council is able to afford is insufficient to maintain all schools to B/B standard. The risk of building failures, temporary closures and/or health and safety risks continue to be an

ongoing concern for Property Services. The programming of work within schools is subject to change as government guidance is issued in relation to COVID-19 restrictions. A delay in the telephone cable installation of over a month could impact the decant arrangements for the existing school.

(e) Staffing Implications

There are no staffing implications associated with this report.

(f) Property

There are no property implications other than those detailed in the report.

(g) Equalities/Socio Economic Impact

There are no equalities or socio economic implications associated with this report.

(h) Consultations

Consultations have been undertaken with Paul Connor, Principal Accountant; the Property Resources Manager; the Design Manager; the Legal Services Manager; the PPR and Communications Officer; Equal Opportunities Officer; Education Resources and Communities and Education Senior Management Team and Tracey Sutherland, Committee Services Officer. Where comments have been received, these have been included within the report.

10. CONCLUSION

10.1 This report presents the Education Capital Works budget to 31 December 2020. It clarifies the status of a number of capital projects and the financial implications associated with each of them where appropriate.

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Background Papers: Education Capital Budgets 2020/2021

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