



**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES
COMMITTEE 24 AUGUST 2022**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES AND
EDUCATION CAPITAL BUDGET MONITORING REPORT TO 30
JUNE 2022**

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

1. REASON FOR REPORT

- 1.1 To inform Committee of the capital budget position for Education Resources and Communities and Education as at June 2022
- 1.2 This report is submitted to Committee in terms of Section III (A) (2) of the Council's Scheme of Administration relating to the consideration of Capital and Revenue budgets and long term financial plans.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee scrutinises and notes the capital budget position at 30 June 2022.**

3. BACKGROUND

- 3.1 At the meeting of Moray Council on 22 February 2022 (paragraph 3 of the minute refers) Council approved the Capital Plan for 2022/23. At the same meeting the need for the Council to make £20 million savings in 2023/24 and 2024/25 was highlighted. As part of the financial planning process an early initial review of the capital plan was undertaken with departments to firm up on timing of projects given current market conditions and departmental capacity to deliver. Amendments to the capital plan were recommended as a result of this review and agreed at the meeting on Moray Council on 29 June (paragraph 17 of the minute refers).
- 3.2 This report highlights those areas of the capital budget relating to Education Resources and Communities and Education budgets where there is a significant percentage variance as at 30 June 2022, or the risk of a variance over the course of the financial year (highlighted as red or amber in the budget update at **APPENDIX 1**).
- 3.3 The report also provides a narrative update on major ongoing projects.

3.4 The capital budgets for the Education Resources and Communities and Education Services are listed in **APPENDIX 1**.

4. BUDGET POSITION

4.1 The total approved capital budget for Education Resources and Communities and Education for financial year 2022/23 is:

	22/23 £000
Land & Buildings	6,630
Vehicles Plant & Equipment	460
Total	7,090

4.2 Actual expenditure to end June 2022 is £674,000

4.3 Current variance (or risk of variance) in the Capital Plan relate to the following:

- £700,000 is provided for the development of a new 3G pitch in Forres. The Council is continuing to collaborate with the Forres Community Football Trust regarding the development of a new pitch and associated facilities. A decision is required regarding the location of a new pitch. This decision has been delayed due to the dependency on discussions regarding the future of Forres Academy. The Trust has elected to wait until these discussions have progressed.
- 2022/23 spend on the Findrassie project relates to Design Team costs. The Project Team are awaiting detailed costs from the Design Team to determine actual variances. There was an underspend in 2021/22 against this project of £188,000. A carry forward of £50,000 was agreed at the Council meeting on 29 June 2022 to meet the expected cost of design works. A further carry forward may be requested once detailed costs are known.
- £300,000 is provided for the refurbishment and upgrade of pools. Condition surveys of our leisure estate have been ongoing during the first quarter of 2022/23 and we are awaiting the outcome of these surveys prior to instructing any works on our pools.
- £400,000 is provided for plant and equipment at Moray Leisure Centre. Moray Leisure Centre are currently identifying the immediate asset repair or replacement requirements following receipt of their condition surveys and also from information gathered on recent breakdowns and damage.

5. MAJOR PROJECTS UPDATE

Schools Essential Maintenance Programme 2022/23

- 5.1 The total budget for this programme of work is £3.208m which is made up of a carry forward of £0.208m from last year and £3m from 2021/22 Capital Plan. This programme of work is a single line within the Capital Plan. However, the programme has been split into separate budgets for each individual project as detailed in **Appendix I** for budget monitoring purposes. The majority of this work programme is the phased work begun under the Make Do and Mend criteria, which was to address elements of schools in Condition D that have the possibility of failing. The scope of each of the projects is developed in consultation with the school and the contractor. The reactive nature of this programme does mean that individual project budgets do vary during the year of the programme.
- 5.2 Work to replace defective render with a new insulated render system at Hythehill Primary School completed on 25 April 2022.
- 5.3 Design work to upgrade the mechanical and electrical systems at Speyside High School, Cluny Primary School, Forres Academy, New Elgin Primary School, Anderson Primary School, Burghead Primary School, West End Primary School and Kinloss Primary School were completed during Quarter 1.
- 5.4 The quarter 1 projected expenditure at 30 June 2022 for this programme is £3.169m. The majority of this programme is carried out during the school summer holidays and at the time of drafting this report is complete. Work has progressed well on site with no major issues uncovered and very little of the contingency allowances required. Therefore it is expected that the quarter 2 projected figures will reduce within this budget heading.
- 5.5 Emergency works to replace corroded mains water pipework at Forres Academy were carried out and completed under this programme of work, but funded from the Repairs and Maintenance budget.
- 5.6 A carry forward of £208k from the 2021/22 budget appears in the budget line under Milnes High School Roof covering replacement. This carry forward was taken to support design work and as a contingency for the overall programme. The replacement of the roof covering at Milnes High School is a significant budget estimate and this type of work would be carried out during a summer period, therefore it is not projected that this budget line will be fully committed this financial year.
- ### **New Build Project (Lossiemouth High School)**
- 5.7 COVID-19 costs have been agreed with the contractor and submitted to the Scottish Government as indicated in previous reports to this Committee. The Scottish Government in a letter dated 24 June 2022 apologised for the long delay in replying, however have stated they are not able to support the Council with additional costs. The project is complete with planned payments for the completion of landscaping and the release of monies held for retention in the contract.

New Build Project (Linkwood Primary School)

- 5.8 COVID-19 costs have been agreed with the contractor and submitted to the Scottish Government as indicated in previous Reports to this Committee. The Scottish Government in a letter dated 24 June 2022 apologised for the long delay in replying, however have stated they are not able to support the Council with additional costs.

New Build Project (Findrassie Primary School)

- 5.9 Consultations with all stakeholder groups has concluded for this stage of the project with all relevant feedback included within the design brief. The internal design team has developed the design to RIBA stage 2, which provides the concept design for the building. The design is a two-storey building that works with the contours of the site to allow outdoor learning to be accessed from most classrooms. The initial cost model has been developed and is currently being reviewed. The Planning Application Notification (PAN) was submitted in June 2022 with an initial meeting held with statutory consultees. Work is currently ongoing to engage with a main Tier 1 contractor with a view to having them appointed by the end of August 2022 to support a Stage 3-4 design.

Early Learning and Childcare Expansion

- 5.10 Additional Capital Plan spend on Early Learning and Childcare facilities (Aberlour, Kinloss, Findochty, Portgordon, Rothes and St Peters) was approved at Moray Council on 29 June 2022 (para 22 of the minute refers). Initial project timelines have been set out for these projects, with further information provided in the Early Learning and Childcare – Major and Minor Infrastructure Works Update (Information Report).

6. SUMMARY OF IMPLICATIONS

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

The capital projects referred to in this report support the delivery of the LOIP outcome of building a better future for our children and young people in Moray and growing a diverse and sustainable economy, and are advancing the Corporate Plan priority of reviewing and transforming the learning environment, and creating a sustainable council.

(b) Policy and Legal

The Council has statutory responsibilities to meet educational needs, the needs of children and young people in need and those it looks after.

(c) Financial implications

The resource implication are set out in this report and at **Appendix 1**.

(d) Risk Implications

Budget Managers are aware of their responsibilities for managing budget allocations and approval for any variances will be sought from Committee in line with the Financial Regulations.

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 & safety continue to be a concern.

Construction costs are continuing to rise, which will impact on tender prices received for construction projects, which means additional budget may be required for projects as they progress.

(e) Staffing Implications

There no staffing implications arising directly from 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) Climate Change and Biodiversity Impacts

Where heat source replacements are planned a Heating Option Appraisal in accordance with current procedures will be carried out that includes renewable heating options. Where wall or roof replacements are programmed additional insulation to improve the performance of the fabric will be considered.

For new build projects we are considering options to meet energy and zero carbon targets.

(i) Consultations

Paul Connor, Principal Accountant; the Property Asset Manager; Design and Construction Manager; Learning Estate Programme Manager; Legal Services Manager; Equal Opportunities Officer, Head of Education and Tracey Sutherland, Committee Services Officer have been consulted and the comments received have been incorporated into the report.

7. CONCLUSION

7.1 This report presents the Education Resources and Communities and Education Capital Works budget to 30 June 2022. It highlights and provides detail on any variances or projected variances and provides an update for Members on approved major projects.

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Background Papers:

Ref: SPMAN-9425411-53
SPMAN-9425411-54