



**REPORT TO: EDUCATION, COMMUNITIES AND ORGANISATIONAL
DEVELOPMENT COMMITTEE ON 26 MAY 2021**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES AND
EDUCATION CAPITAL BUDGET MONITORING REPORT 31
MARCH 2021**

**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:

- i) **scrutinises and notes the contents of the report; and**
- ii) **approves expenditure to design a heating system replacement for Kinloss Primary School for inclusion in a 2022/23 programme of works as per paragraph 5.6.**

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	17,710
Vehicles, Plant & Equipment	171
Totals	17,881

- 4.2 Actual expenditure up to 31 March 2021 including carry forwards from 2019/20 is £18.463m.

5. MAJOR PROJECTS

Schools Essential Maintenance Programme 2020/21:

- 5.1 The original programme of works under this heading was well progressed when the Covid-19 pandemic commenced in March 2020. Work was suspended as the focus was moved toward the safe return of pupils in August. Preparations were made to substitute these projects for external fabric works which could be safely carried out during term time. However, the second national lockdown has seen further delays in this work and the Economic Growth, Housing and Environmental Sustainability Committee on 16 February 2021 (para 5.3 refers) agreed that an underspend of £1,655,000 be carried forward to 2021/22 to allow these projects to complete.
- 5.2 Expenditure on the schools maintenance programme for 2020/21 at year-end was £0.945m. The project to replace windows at Hythehill Primary School was completed under budget at a cost of £125,000 against a budget of £315,000. The installation of the windows progressed ahead of programme and the carried forward funding was not required in the financial year. There were several small overspends on the summer works and drainage projects on equipment already ordered prior to lockdown and further investigative works. The replacement of the Buckie High School science gas pipework was introduced as an urgent safety project as unplanned work that did not have a budget.

Schools Essential Maintenance Programme 2021/22:

- 5.3 A programme of planned works for the Learning Estate has been developed for 2021/22 corresponding with the approved total budget of £4.655m, including carry forward underspend from the previous year. The programme will consist of the postponed internal works from last summer and external building fabric projects all as detailed under **APPENDIX II**. These projects have been selected on the basis that the condition of these building elements are D and if they were to fail would impact the school remaining open.

- 5.4 A programme of reserve works has been developed consisting of external works that could be undertaken should any COVID restrictions prevent the internal summer works from starting in 2021. These works would be phased in such a way that the programme could adapt quickly if further COVID restrictions were put in place that affected the schools or the construction industry whether locally or nationally.
- 5.5 A serious water leak at Kinloss Primary School has, following a detailed inspection, revealed considerable deterioration to the existing cast iron heating pipework. Urgent designs for the replacement of the most corroded areas of heating pipework are being carried out to allow work to commence during the summer holidays of 2021. These initial works are being funded from the 2021/22 repairs and maintenance budget.
- 5.6 The remaining replacement of heating pipework, boilers and controls is proposed to be carried out during the summer of 2022 and be funded from the Education Capital Budget. Approval for the progression of a full design of heating replacement for Kinloss Primary School for inclusion in the 2022/23 budget is sought in the recommendations.

6. NEW BUILD (SCHOOLS)

Lossiemouth High Replacement Project:

- 6.1 The school became operational on Wednesday 14 April 2021 with the community centre and library opening to the public on 26 April as per COVID-19 guidelines. There has been a positive reaction to the building from both staff and pupils with minor issues being dealt with in a timely manner by the contractor.
- 6.2 The old building is now in the ownership of Balfour Beatty who have commenced the soft strip of the building prior to an intrusive asbestos survey being undertaken. All utilities are being disconnected in line with programme timescales. A letter has been distributed to the neighbouring houses on Coularbank Road and Boyd Anderson Drive outlining the next phase of works, which are programmed for completion in March 2022.
- 6.3 The conditions of contract entitle the contractor to recover reasonable costs due to the delays experienced following the COVID-19 government restrictions. These cost negotiations have now reached a conclusion between the Council and hub North Scotland. The Scottish Government have been contacted to request assistance with the additional costs with full evidence of costs claimed being provided to assist with their determination. The outcome of this approach will be reported in due course.
- 6.4 The overall expenditure for the project was £11.738m during 2020/21 against a budget of £10.515m. The over spend on the budget figure is a result of an earlier restart of construction work than projected during the first lock down and the COVID costs paid to the Contractor.

Linkwood Primary School:

- 6.5 Since the school became operational on 14 January 2021 feedback on the school from the Head Teacher is "it's been lovely to have the majority of our

pupils back into school and to hear the children enjoying their wonderful new space and amazing building”.

- 6.6 Officers have established costs incurred due to the delayed handover in order that these are recovered from hub North Scotland and these have been presented to hub North Scotland. The costs relate to liquidated and ascertained damages at a pre-determined rate for the delayed handover, additional water sampling and aborted removal costs. The final account is close to being agreed and the costs incurred will be offset against the final account.
- 6.7 The conditions of contract entitle the contractor to recover reasonable costs due to the delays experienced following the COVID-19 government restrictions. The costs have now been agreed between the Council and hub North Scotland. The Scottish Government have been contacted to request assistance with the additional costs with full evidence of costs claimed being provided to assist with their determination. The outcome of this approach will be reported in due course
- 6.8 The overall expenditure against the project was £3.979m during 2020/21 against a budget of £3.445m. The overspend on this budget is a result of Housing developer obligations to provide a serviced site not being met and the COVID costs paid to the Contractor. Discussions with the Housing developer are ongoing to agree a figure on the additional costs to provide temporary servicing to the school.
- 6.9 The Scottish Government are not funding the project, but will be provided with the agreed COVID-19 costs to determine if they will contribute to the costs.

Findrassie Primary School

- 6.10 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. A Project Manager was appointed in April 2021 to the Educational Resources and Communities team and preparations are underway to begin consultation on the project within the Elgin Academy ASG. The time required to arrange the consultation process has resulted in a budget underspend for the project in 2020/21.

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;
 - Mortlach Primary, Dufftown;

- Linkwood Primary School; and
- Pilmuir Nursery.

Keith Nursery

- 7.2 Work started on site for the new build nursery on 31 August 2020 and is programmed to complete 9 July 2021. The project is on programme and is well advanced on site.

Mosstodloch Primary School Nursery

- 7.3 The nursery classroom within the existing school is to be refurbished and a small extension added to provide additional accommodation. Works to form a kitchen in an adjacent classroom have completed and the existing nursery has decanted into this space while construction works are undertaken. Work has begun on site and is at an early stage of strip out and site preparation.

Aberlour Primary School Nursery

- 7.4 Planning and Listed Building Consent has been approved to carry out a full refurbishment and extension to the existing nursery. Temporary decant accommodation is currently being manufactured for both the school and private nursery. The school nursery will be decanted to accommodation on the primary school site and the private nursery to a site adjacent to Speyside High School. The decant accommodation is programmed to arrive on site in September 2021 and once set up the construction works to the existing nursery will begin.

8 LEISURE AND LIBRARIES

Gladstone (Leisure Management System) Integration Project

- 8.1 This project to integrate the online booking system continues to near completion. The database system has been integrated from the customer perspective with background configuration work in its final stages of completion. These final stages have been unable to progress until now as our leisure facilities needed to be open and actual income related reports to be generated and reconciled accurately.

Milnes Fitness Suite Upgrade Equipment

The new equipment will arrive on 24 May, therefore the fitness room will require to be closed between Mon 24 to Wed 26 May to remove the old equipment and install the new equipment. The facility will re-open to the public from Thurs 27 May.

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 schools essential maintenance programme 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 a concern. The programming of work within schools is subject to change as government guidance is issued in relation to COVID-19 restrictions. The latest construction sector guidance is indicating that manufacturing lead in times and costs for building products are increasing rapidly due to the effects of COVID restrictions and Brexit. This will in turn impact tender prices received for construction projects, therefore additional budget maybe required for projects after they return from tender.

(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; Head of Education Resources and Communities, Head of Education 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 March 2021. 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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