



**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES
COMMITTEE ON 24 NOVEMBER 2021**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES AND
EDUCATION CAPITAL BUDGET MONITORING REPORT 30
SEPTEMBER 2021**

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

1. REASON FOR REPORT

- 1.1 This report is to inform Committee of projects and proposed expenditure for Capital Budgets within Education, Children's and Leisure Services for 2021/2022.
- 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 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 2021 (paragraph 2 of the minute refers) Council approved the Capital Plan for 2021/22.
- 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 2021/22

- 4.1 The total approved Capital Budget for Education Resources and Communities and Education for financial year 2021/22, including carry forwards from 2020/21, is as follows:-

	20/21 £000
Land & Buildings	11,035
Vehicles, Plant & Equipment	114
Totals	11,149

4.2 Actual expenditure up to 30 September 2021 is £4.802m.

5. MAJOR PROJECTS

Schools Essential Maintenance Programme 2021/22

- 5.1 The total budget for this programme of work is £4.655m which is made up of a carry forward of £1.655m 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 upgrade the mechanical and electrical systems at Speyside High School, Cluny Primary School, Forres Academy, New Elgin Primary School, and Anderson Primary school was completed during the school summer holidays.
- 5.3 Work to replace the heating system at Burghead Primary School was unable to progress while discussions were ongoing with a local distillery to establish if waste heat from the facility could be used at the school. Those discussions were concluded in October 2021 and the heating option appraisal has now been updated. The delay while negotiations were concluded is the main reason for the overall underspend on the B-B programme of work.
- 5.4 Work to upgrade the drainage systems at Andersons Primary School, Forres Academy and Applegrove Primary School was completed during the school summer holidays.
- 5.5 Work to replace defective render with a new insulated render system at Hythehill Primary School has begun on site and is programmed to complete on 10 December 2021.

6. NEW BUILD (SCHOOLS)

Lossiemouth High Replacement Project

- 6.1 Demolition of the old school and leisure building has begun following the disconnection of existing utilities. Intrusive asbestos surveys have been conducted ahead of each area of the building being demolished. The demolition works are currently three weeks behind programme and the

contractor has employed additional resource and is confident of bringing the project back within programme.

- 6.2 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 have acknowledged receipt of our documentation and have confirmed they are currently reviewing the claim.

Linkwood Primary School

- 6.3 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 have acknowledged receipt of our documentation and have confirmed they are currently reviewing the claim.
- 6.4 The Scottish Government are not funding the project, but have been provided with the agreed COVID-19 costs to determine if they will contribute to the costs.

Findrassie Primary School

- 6.5 Stakeholder consultation on the project within the Elgin Academy ASG started in August 2021. Initial consultations will engage with both educational and community users and is programmed to complete on 10 November 2021. Procurement options are currently being evaluated with the Scottish Procurement Alliance and Hubco North. The time required to recruit the Project Manager (Learning Estate) and arrange the consultation process has delayed expenditure on professional fees during 2021/22.

7. EARLY LEARNING CHILDCARE EXPANSION

- 7.1 The Early Learning Childcare (ELC) Capital Programme includes 4 new build nurseries and 7 refurbishments. In addition to the 8 projects reported as completed to the ECOD committee on 11 August 2021, 2 further projects are now complete at Strathisla Nursery, Keith and Mosstodloch Primary, making the full list of completed projects:

- Lady Cathcart, Buckie;
- Lhanbryde Primary;
- Burghead Primary;
- New Elgin Primary;
- Cullen Nursery;
- Mortlach Primary, Dufftown;
- Linkwood Primary School;
- Pilmuir Nursery;
- Strathisla Nursery Keith; and
- Mosstodloch Primary.

Aberlour Primary School Nursery

- 7.2 Planning and Listed Building Consent has been approved to carry out a full refurbishment and extension to the existing nursery. Temporary decant accommodation has been 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 tender for the ground works for decant accommodation has been

accepted and planning is underway to carry this work out with the minimum disruption to the schools. A revised estimated cost for the refurbishment works is currently being undertaken to establish the impact of the current material inflation within the construction market.

- 7.3 The budget pressure identified in this financial years ELC budget for construction projects has been addressed with the reallocation of central funding from the Scottish Government to maintain the requirement that funding for this programme is met externally. A review of the processes and procedures for the management of Revenue budgets being used for Capital programmes is being undertaken by Finance, Internal Audit and Housing & Property Services.

8. LEISURE AND LIBRARIES

Gladstone (Leisure Management System) Integration Project

- 8.1 This project is now at final sign off stage as the finance reports have now been checked and approved.

8.2 Underwater Swimming Pool Camera Replacements

The contractor has scheduled the pool camera replacements to be completed in December 2021.

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

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

(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 may be required for projects after they return from tender or projects postponed.

(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 Asset 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 30 September 2021. It clarifies the status of a number of capital projects and the financial implications associated with each of them where appropriate.

Author of Report:	Moray MacLeod, Design and Construction Manager
Background Papers:	Education Capital Budgets 2021/2022
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