



**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES
COMMITTEE ON 8 JUNE 2022**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES AND
EDUCATION CAPITAL BUDGET MONITORING REPORT 31
MARCH 2022**

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

1. REASON FOR REPORT

- 1.1 This report is to inform Committee of projects actual 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. At the meeting of the Moray Council on 30 November 2021 (paragraph 7 of the minute refers) Council approved carry forwards for Budgets within Education.
- 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	9,655
Vehicles, Plant & Equipment	281
Totals	9,936

- 4.2 Actual expenditure up to 31 March 2021 is £10,038m.

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 The total spend for this programme of work during 2021/22 was £4.447m. The underspend was mainly due to the delays to the Burghead Primary School heating and pipework replacement and Milnes High School roofing upgrade projects. Following condition reports by the Maintenance team of failing building elements at Mosstodloch Primary School, Speyside High School, Aberlour, East End Primary School, Elgin, Millbank Primary School, Buckie and Seafield Primary School, Elgin design work was undertaken to minimise the budget underspend.
- 5.3 Work to upgrade the mechanical and electrical systems at Speyside High School, Aberlour, Cluny Primary School, Buckie, Forres Academy, New Elgin Primary School, Elgin, and Anderson Primary school, Forres was completed during the school summer holidays.
- 5.4 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. To allow the pipework replacement to begin, the heat source needed to be known because the lower temperature of the waste heat directly affects radiator sizes. Those discussions were concluded in October 2021 and the heating option appraisal has now been updated.

- 5.5 Work to replace roofing at Milnes High School, Fochabers was delayed following a detailed inspection which revealed a greater extent of roof replacement being required and a 20% increase in material prices particularly for roof insulation. The extent of work required to replace the roof while the school remains operational requires a detailed project plan to be produced and agreed.
- 5.6 Work to upgrade the drainage systems at Andersons Primary School, Forres, Forres Academy and Applegrove Primary School, Forres were completed during the school summer holidays.
- 5.7 Work to replace defective render with a new insulated render system at Hythehill Primary School, Lossiemouth was completed on 28 April 2022, five weeks after the previously stated completion date of 25 March 2022. Work had been delayed on site because of adverse weather conditions and the availability of skilled workforce. There has been an overspend of £161k as a result of unforeseen work. This included the condition of the light fittings and fixings which, when removed, could not be reattached to the new wall surface. There were considerable areas on the three-storey block which were out of level that needed additional work to square off the surfaces, and an out building was damaged by fire in a bin area.

6. NEW BUILD (SCHOOLS)

Lossiemouth High Replacement Project

- 6.1 The final phase of the project was completed on 21 April 2022 including the artificial pitch and new pedestrian access footpath, five weeks behind the revised completion date of 21 March 2022.
- 6.2 Lossiemouth Community Council have been in communication with Officers to raise concerns regarding the remoteness of the public car park to the entrance of the Community facilities. Following completion of the new pedestrian access footpath, which has shortened the route to the main entrance, Officers will meet with the Community Council to seek their feedback.
- 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 had indicated that a decision may be made before the end of the 2021/22 financial year. Currently the Scottish Government continue to review the claim.

Linkwood Primary School, Elgin

- 6.4 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 had indicated that a decision may be made before the end of the 2021/22 financial year. Currently the Scottish Government continue to review the claim.

6.5 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, Elgin

6.6 Stakeholder consultation on the project within the Elgin Academy ASG has completed. Consultations with both educational and community users was concluded during February 2022. 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. The balance of this unspent budget will form a carry forward request to the Moray Council meeting 29 June 2022.

7. EARLY LEARNING CHILDCARE EXPANSION

7.1 The Early Learning Childcare (ELC) Capital Programme includes 4 new build nurseries and 7 refurbishments. The completed projects are as follows:

- Lady Cathcart, Buckie;
- Lhanbryde Primary;
- Burghead Primary;
- New Elgin Primary, Elgin;
- Cullen Nursery;
- Mortlach Primary, Dufftown;
- Linkwood Primary School, Elgin;
- Pilmuir Nursery, Forres;
- 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 intention was that the school nursery be decanted to accommodation on the primary school site and the private nursery to a site adjacent to Speyside High School. Meetings have been held with the Head Teachers at Speyside High School and Aberlour Primary School and further options for the location of the temporary units are being considered. The programme of work at Aberlour has been paused in order to carry out option appraisals at each school which have been considered by the ELC Project Board and Asset Management Working Group. Further information is being gathered before being reported to this Committee.

7.3 The ELC Capital Programme for 2021/22 was funded by the transfer of Scottish Government revenue funding to the Capital Plan for the construction and refurbishment of nursery facilities. The Capital allocation for the 2021/22 programme is overspent by £1,198k with no remaining revenue budget available to fund the shortfall. The budget pressures within the ELC Revenue budget and the Internal Audit investigation into the management of the ELC budgets was reported to this Committee on 9 March 2022 (paragraph 14 of the draft minute refers).

8. LEISURE AND LIBRARIES

Condition Surveys – Other Leisure Facilities

8.1 The condition surveys of our leisure facilities were delayed due to specialist contractor availability. The survey work has now concluded, with condition survey reports due in June 2022.

8.2 Underwater Swimming Pool Camera Replacements

Pool camera replacements at Buckie, Forres and Keith have now been completed.

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 Report sets out the following financial implications of; uncertainty of receiving funding from the Scottish Government to support the COVID costs of the Lossiemouth High School and Linkwood Primary Schools; a potential carry forward request for the new Findrassie Primary School project; and the overspend in the Early Years Capital budget.

(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, Brexit and the conflict in Ukraine. This will, in turn, impact tender prices received for construction projects, therefore additional budget may be required for projects after their 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) 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.

(i) Consultations

Consultations have been undertaken with Head of Financial Services; Principal Accountant; Property Asset Manager; Design and Construction Manager; Legal Services Manager; 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 2022. 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 2021/2022
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