



**REPORT TO: EDUCATION, COMMUNITIES AND ORGANISATIONAL
DEVELOPMENT COMMITTEE ON 11 AUGUST 2021**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES AND
EDUCATION CAPITAL BUDGET MONITORING REPORT 30
JUNE 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 2021/2022.
- 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 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 2020/21**

- 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	109
Totals	11,144

- 4.2 Actual expenditure up to 30 June 2021 is £1.584m.

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 and where additional work can be undertaken without disrupting the school and contractor resource is available, scopes of work can be increased. The reactive nature of this programme does mean that individual project budgets do vary during the year of the programme.
- 5.2 A School Estate Asset Management Plan is being developed which will set out a strategy for the maintenance of the school estate that will allow the forward programming of work to have more defined scopes of work and budget. The School Estate Asset Management Plan will not be complete and approved to allow this to be applied to the 2022/23 programme, therefore work will continue to be planned to address condition D elements within schools.
- 5.3 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 has begun on site and is programmed to complete during the school summer holidays.
- 5.4 Work to upgrade the drainage systems at Andersons Primary School, Forres Academy and Applegrove Primary School has begun and work will be phased to complete during term time ensuring the schools remain operational.

- 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. The complexity of the scaffolding and phasing requirements to minimise disruption to school has seen the initial budget estimate for this project increase from the early cost estimate.

3G Pitch

- 5.6 A separate report on the agenda is being presented to this Committee setting out the budget and programme for expenditure on 3G pitches during 2021/22.

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 are being conducted ahead of each area of the building being demolished.
- 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 Following occupation of the school on 14 January 2021 a post project review has been carried out and presented to the Transforming Learning Board on 10 June 2021.
- 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 have confirmed they are currently reviewing 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

- 6.6 With the appointment of the Project Manager (Learning Estate) to the Educational Resources and Communities team in April 2021, preparations are advancing and stakeholder consultation on the project within the Elgin Academy ASG will start in August 2021. Initial consultations will engage with both educational and community users and is programmed to complete in November 2021. Procurement options are currently being evaluated with the Scottish Procurement Alliance and Hubco North. The time required to recruit and arrange the consultation process will delay 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. 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 was programmed to complete 9 July 2021. The project has been delayed on site and is programmed to complete three weeks later on 30 July 2021. This delay will not impact on the facility being available at the start of the new term in August 2021 to meet the Scottish Government legislative requirement to deliver 1140 hours of early learning and childcare.

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 been completed and the existing nursery has decanted into this space while construction works are undertaken. Work has begun on site and is programmed to finish on 13 August 2021 to meet the Scottish Government legislative requirement to deliver 1140 hours of early learning and childcare.

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 Council Nursery and Private Provider nursery operating from within the school. The Council 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 can begin. Currently the start date is being reviewed to take account of supply and cost pressures on materials and goods within the construction market.

7.5 A budget pressure has recently been identified within the overall ELC budget for the construction projects. This budget pressure is the result of how projected spends for this current financial year were communicated by Housing and Property Services to Finance colleagues. Unfortunately, this oversight impacted on the reporting of the budget variance and apologies are offered that this matter has only now emerged and so was not drawn to Committee's attention previously. The ELC Programme Board met on 27 July 2021 to discuss the implications of this budget pressure and to agree a way forward and ensure that measures were put in place to avoid this being

repeated. The remedies agreed are being put in place as a matter of urgency. Agreement was reached by the Board to recommend reallocation of central funding from the Scottish Government to maintain the requirement that funding for this programme is met externally.

- 7.6 The work to re-profile the ELC budget has begun and recommendations will be reported to the ELC Programme Board, the Transform Learning Programme Board and this Committee.

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. We have requested that these final stages are made a priority by the company so that the project can be fully closed off.

8.2 Milnes Fitness Suite Upgrade Equipment

All the new equipment has arrived, is fully installed and in use and we are receiving excellent feedback from our customers in regards to this upgrade.

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 June 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 2021/2022
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