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**REPORT TO: EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT COMMITTEE ON 18 NOVEMBER 2020**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES AND EDUCATION BUDGET MONITORING REPORT TO 30 SEPTEMBER 2020**

**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) notes the year-end out-turn position for Education Resources and Communities and Education budgets during 2019/20;**
- ii) scrutinises the Education Resources and Communities and Education Capital Budgets to 30 September 2020;**
- iii) notes the delay in the Schools Essential Maintenance Programme due to the postponement of the summer works due to the COVID-19 restrictions;**
- iv) approves the inclusion of external building fabric projects in Schools Essential Maintenance Programme for 2020/21 and 2021/22 financial years; and**

- v) notes the delay to Lossiemouth High School and Linkwood Primary School projects due to the COVID-19 restrictions and the additional contractual costs that will be incurred.

### 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 II**.

### 4. **OUT-TURN POSITION FOR 2019/20**

- 4.1 The final year-end budget position is noted under **APPENDIX I**. All planned projects were progressed as intended. However, the budget expenditure was less than the capital approval figures. The primary reason for this relates to the practical extent of mechanical and electrical services works that can be completed for each phase during the summer holiday shut down period. The risk of being too optimistic in planning could result in disruption to parts of the school at the start of the autumn term if work cannot be completed on time and this is discussed with the appointed Contractor at the detailed work planning stage. This often results in variations in the scope of the works and elements being postponed into a future year phase.

### 5. **BUDGET FOR 2020/21**

- 5.1 The total approved Capital Budget for Education Resources and Communities and Education for financial year 2020/21 is as follows:-

	<b>20/21 £000</b>
Land & Buildings	20,766
Vehicles, Plant & Equipment	99
<b>Totals</b>	<b>20,865</b>

- 5.2 Actual expenditure up to 30 September 2020 including carry forwards from 2019/20 is £6.112m.

### 6. **MAJOR PROJECTS**

#### Schools Essential Maintenance Programme:

- 6.1 The schools maintenance programme for 2020/21 was agreed and well progressed in discussion with the appointed Contractor when the COVID-19 crisis commenced in March. Senior Management made the decision to suspend all internal works in schools for the summer of 2020, particularly

when critical preparations for the safe return of pupils in August was considered highest priority. The Contractor had placed orders for materials when lock down commenced. Payment was made for this, with all other works postponed until summer 2021.

- 6.2 Housing and Property Services have commenced preparations to substitute essential maintenance projects to external building fabric that can be carried out safely during school term time, to utilise budget capacity in 2020/21 and would be completed in 2021/22.
- 6.3 The external building fabric projects recommended based on current condition and maintenance assessments are:
- Hythehill Primary School – new external render
  - East End Primary School – new windows and external render
  - Milnes High School – replacement flat and pitched roofing
  - Pilmuir Primary School – replacement flat and pitched roofing

These projects will be negotiated with the appointed Essential Maintenance Programme Contractor and indicative budget estimates are noted on **APPENDIX II**.

- 6.4 During a recent high level inspection the existing render at Hythehill Primary School was discovered to be losing adhesion from the wall and if left to deteriorate further could pose a health and safety risk. This project is recommended as high priority.
- 6.5 Current projections indicate a spend of £0.845m for 2020/2021 and if the additional building fabric projects were approved then the project figure would be £1.271m.
- 6.6 A programme of planned works for the Learning Estate has been developed for 2021/22. The programme will consist of the postponed internal works from this year and the external building fabric projects in paragraph 6.3. These works would be phased in such a way that the programme could adapt quickly if further COVID-19 restrictions were put in place that affected the schools or the construction industry either locally or nationally. **APPENDIX III** sets out these works in more detail.

## **7. NEW BUILD (SCHOOLS)**

### Lossiemouth High Replacement Project:

- 7.1 The site was closed as per Scottish Government guidelines on 27 March 2020. At this point the build was on programme. Work onsite restarted on 12 June 2020 with only a small team preparing the site for the revised working guidelines regarding social distancing, cleaning, one way systems and additional welfare facilities. The overall programme has been recalibrated, based on the guidelines published by the Scottish Government and sector specific information, which has impacted the Phase 1 programme by 26 weeks, therefore the revised completion date of Phase 1 is 12 February 2021. Given that this date is in the middle of the school term, in order to minimise the impact on pupils education, the decant will not take place until the Easter holidays, therefore the school will not be occupied until 12 April 2021.

7.2 Due to the impact of COVID-19 a variation to contract is currently being discussed between the Council and hub North Scotland which has allowed an agreement of extension of time to complete the build. There are ongoing discussions in relation to additional cost due to the pandemic, with no commitment from the Council to pay any additional costs. There is an expectation that additional COVID costs will be paid under Scottish Government Supplier Relief guidance. The Scottish Government (SG) has been approached to request if they will contribute to the additional costs due to the project being two thirds funded by SG and these discussions are ongoing.

7.3 Current progress to date has allowed work to continue at a reduced productivity due to social distancing. However, the build is progressing well as follows:

**Main teaching block** - Electrical, mechanical and plumbing works are all well progressed on all floors. Flooring, ceiling grids and fitted furniture progressing with some rooms on second floor locked off with professional cleaning taking place. Decoration is well progressed, under floor heating within the dining hall has been installed with oak treads being fitted to the stairs. Equipment has been fitted within the technical workshops and the stage lighting installed in the drama and assembly areas. Sanitary ware and cubicle installation nearing completion.

**Sports Block** - Decoration of main sports hall is complete with the sports flooring commencing, decoration is complete in the smaller sports hall with radiant panel installation ongoing. The swimming pool floor and wall tiling is almost complete with the pool liner works ongoing.

**External Works** - the main access road is installed and partially surfaced, block paving is well progressed in all areas and the planters within the ASN garden area are installed.

7.4 Staff visits from the current school have been put on hold because of the restrictions on site due to COVID-19 however a fly through video will be produced and passed to the school so that they can see progress and familiarise themselves with the building.

Linkwood Primary School:

7.5 The COVID-19 pandemic has impacted on the completion date of this project with the site being shut down on 30 March until 1 June 2020 as it was not classed as an essential project. Preparation measures were put in place to provide additional welfare facilities increased cleaning and social distancing. Actual works resumed on 15 June 2020. However, with less output than originally programmed due to requirements for social distancing.

7.6 As of 2 October 2020 the Project is in week 81 of an originally scheduled 66 week delivery programme. The anticipated completion date is the 18 November 2020.

- 7.7 The first floor is well advanced and has been decorated, floor coverings have been installed and fixed furniture is in place in the classrooms and rooms have been cleaned. Loose furniture such as tables and chairs have been placed in the appropriate rooms and interactive panels are due to be installed the week commencing 2 November. The ground floor is progressing well and will be at a similar stage to the first floor in around 3 weeks' time. Commissioning of mechanical and electrical services is being undertaken ongoing and external landscaping is progressing.
- 7.8 The Council is currently negotiating a variation of contract which grants the contractor an elongation of time to complete the project and also provides a definition of allowable additional costs. All costs claimed for are being scrutinised by the Council and by hub North Scotland in line with the SFT documentation 'SFT Covid 19 impact on hub contracts final'.
- 7.9 The handover was due on 19 June 2020, but following the site closure due to COVID-19, the programme has seen a prolongation period of 22 weeks bringing the revised handover to 18 November 2020. The same methodology as above has been used to provide a revised programme.
- 7.10 The obligations under the Elgin South S.75 agreement have progressed with Gas, Electricity, Water, Telecommunications and the permanent access road now in place. The remaining works include the creation of the link path between the sports centre and the school. Making a final connection for the road drainage and surfacing of the cycle/footpath adjacent to the access road. These works are programmed to be complete by the developer by the end of October 2020 along with the improvement works to Linkwood Road.

#### Findrassie Primary School

- 7.11 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). The application has been made and preparations are underway to begin the consultation.

### **8. EARLY LEARNING CHILDCARE EXPANSION**

- 8.1 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; and
- Mortlach Primary, Dufftown

#### Pilmuir Nursery

- 8.2 The new nursery building is complete and has been operating from August 2020 with the refurbishment element progressing to a revised completion date of 18 December 2020.

- 8.3 Keith Nursery  
Work started on site for the new build nursery on 31 August 2020 and is programmed to complete 9 July 2021.
- 8.4 Mosstodloch Primary School Nursery  
Layout plans have been agreed and the project is currently being tendered with an anticipated start on site in January 2021.
- 8.5 Aberlour Primary School Nursery  
Layout plans have recently been agreed and a Planning Application has been submitted. To carry out the full refurbishment and extension the council and private nursery require decant accommodation within Aberlour. An options appraisal for the decant accommodation is currently being undertaken to allow a start on site in the New Year.

## **9 LEISURE AND LIBRARIES**

- Gladstone Integration Project
- 9.1 This project is currently being implemented and the works are programmed to be completed by the end of 2020.
- Moray Leisure Centre: Combined Heat and Power unit (CHP) replacement:
- 9.2 The installation work was completed while the building was closed to the public due the COVID-19 restrictions.
- Moray Leisure Centre: Condition Survey of Mechanical and Electrical Plant
- 9.3 A condition survey has been completed to establish the condition of the major mechanical and electrical plant at the Leisure Centre. This is deemed appropriate given that the Council owns the building and there is a need to identify future maintenance commitments and potential costs.

## **10 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 and the Education and Social Care Department's objective of providing effective, efficient and sustainable premises.

**(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 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 an ongoing concern for Property Services.

**(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; Education Resources and Communities and Education Senior Management Team and Tracey Sutherland, Committee Services Officer. Where comments have been received, these have been included within the report.

**11. CONCLUSION**

**11.1 This report presents the Education Resources and Communities and Education Capital Works budget to 30 September 2020. 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, Acting Head of Housing and Property Services

Background Papers:

Ref: Education Resources and Communities and Education Capital Budgets 2020/2021