

MORAY COUNCIL PROPERTY ASSET MANAGEMENT APPRAISAL (2018)



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1. SETTING THE SCENE

1.1 Moray

Moray is the 8th largest authority area in Scotland. It covers an area of 2,238 square kilometres. It extends from the Cairngorm Mountains in the south to the coast of the Moray Firth in the North. The most recent census (2011) shows the total population of Moray to be 93,295.

1.2 The Moray Council

The Council is the largest local employer in the local area with 3,534 FTE staff. It is currently dealing with both short and medium term financial challenges in which sustainable budget savings must be delivered and tight controls on spending are maintained.

The Council provides a range of services to the people of Moray. These include:

- Housing and Property;
- Building Standards;
- Community Safety;
- Education;
- Social Work Services;
- Services provided in partnership with Moray Integrated Joint Board;
- Roads & Infrastructure;
- Lands and Parks;
- Environmental Health and Protection; and
- Leisure and Libraries;

These services are supported by back-office functions that include:

- Chief Executives Department;
- Finance & Procurement;
- Human Resources;
- Legal Services; and
- ICT.

The Council relies on its property assets to deliver the above services. Since 2010, the Council has been reducing the number of offices and depots that it previously required for this purpose. This has produced efficiencies and financial savings.

The aim of the Property Asset Management Appraisal (2018) is to provide the Council with a framework to develop a strategy to manage its property assets; deliver best value; and put challenge into whether the Council should retain properties that have no strategic role in delivering its core priorities.

1.3 The Asset Portfolio

The Council's fixed assets include property (buildings and the land they occupy), vacant land, Infrastructure (mainly roads and bridges), vehicles, plant and machinery and Information Technology (IT) hardware. After employee costs, the largest cost to the Council is what it spends on its fixed assets.

At 31 March 2018, the Council's fixed asset portfolio was valued at £828,648,000 and includes:

Fixed Assets	Net Book Value 31 March 2018 £000
Council Housing	£249,050
Other Land and Buildings	£306,838
Vehicles, Plant & Equipment	£17,358
Infrastructure Assets	£237,441
Community Assets	£408
Non-Operational Assets	£17,553
TOTAL	£828,648

Analysis of Fixed Assets (consolidated balance sheet 2017/18). These values do not represent an open market valuation.

After housing is excluded, there are four main classifications of operational assets:

- Land and Buildings that deliver direct services to the public (e.g. schools, adult care centres, public parks, libraries, community centres, etc.);
- Assets that support service delivery (e.g. offices, depots, ICT hardware, fleet, plant and equipment, etc.);
- Non-operational property (surplus properties awaiting sale, property without a strategic role but not declared surplus, industrial property and historic monuments, etc.); and
- Transport assets (e.g. roads, bridges and car parks).

The principles of good asset management can be applied to all fixed assets.

2. CORPORATE PLANS AND PRIORITIES

2.1 Local Outcome Improvement Plan (LOIP)

The Asset Management Plan will support the delivery of LOIP in the following ways:

- It will assist in building a future for young people by working to improve the school estate; and

- It will also investigate how it can use its assets to help disadvantaged communities.

2.2 Corporate Plan 2018 - 2023

The Asset Management Plan will support delivery of the Corporate Plan in the following ways:

- It will assist sustainable economic development through its Industrial Property Portfolio;
- It will investigate and deliver new infrastructure projects to support the economy; and
- Enable the council to ensure that it has an affordable asset base of a suitable standard that supports the delivery of council priorities.

3. **PROPERTY ASSET MANAGEMENT IN MORAY**

3.1 Assessment Criteria for Property Assets

The performance of the operational portfolio is reported through the Local Government Benchmarking Framework (LGBF) indicators for asset management. These indicators, which monitor performance against the *de facto* national standard, identify the proportion of operational accommodation that is (a) suitable for its current use and (b) in a satisfactory condition.

Suitability and condition indicators assess aspects of fitness for purpose. Suitability seeks to provide a measure of the extent to which a building provides an environment that supports the delivery of services in terms of practicality, accessibility and convenience. Condition deals primarily with the state of repair of the fabric of the building. The distinction between suitability and condition was set out in the Scottish Government's 2007 guidance document, [*The Condition Core Fact*](#). This distinction was confirmed in the revised guidance issued by the Scottish Government in November 2017.

The government guidance, which was introduced to address inconsistencies in the way that local authorities were assessing condition, brought in a standard framework with greater uniformity in scope that helped eliminate significant variations in assessment methodology and criteria.

The Council carries out a rolling programme of assessments aimed at ensuring that each building receives a full condition survey once every five years. A desktop review of the portfolio is carried out at the end of each financial year to account for any material change in circumstances between surveys. Each building is placed into one of four categories:

A (Good)	Performing well and operating efficiently.
B (Satisfactory)	Performing as intended but showing minor deterioration.
C (Poor)	Showing major defects and/or not operating as intended.
D (Bad)	Life expired and/or serious risk of imminent failure.

The overall assessment of condition is based on an element-by-element survey. Each element group is allocated a score with the results being aggregated under the amended Element Weighting and Scoring System introduced by the Scottish Government and updated in 2017. For a building to be considered fit for purpose it must be classed as B or better. Under this system, a building can meet the overall standard while failing in respect of individual elements. At 1 April 2018, the condition performance of the portfolio, using the new guidance and broken down by the three property groups, identified in the Corporate Asset Management Plan – the school estate, corporate offices and other operational buildings – is shown below:

Property Group	% in Satisfactory Condition				Change from	
	2017/18	2016/17	2015/16	2010/11	2016/17	2010/11
School Estate	47.8%	30.5%	30.6%	32.0%	+17.3%	15.8%
Corporate Offices	85.5%	81.7%	80.5%	94.5%	+3.8%	-9.0%
Other Operational	57.7%	58.3%	56.0%	69.5%	-0.6%	-11.8%
Overall Portfolio	52.8%	41.4%	40.8%	46.7%	+11.4%	+6.1%

While the addition of Elgin High and the 4 schools refurbishment projects have improved the overall rating of the school estate by 17.3% since 2016/17, the condition of many other schools continue to present risk to the Council - both in terms of financial burden and reputational damage. The likelihood that some schools will close and/or education is seriously disrupted remains a daily concern. Since 2016/17, there have been 18 school closures due to building failures (mostly heating). A total of 19 teaching days were lost and school closures due to building failures are likely to increase until the condition of the school estate is addressed.

3.2 Property Portfolio

At 1 May 2018, the Council was using 199 separate buildings to deliver a range of public services. The management of these properties involve different services and their primary function is identified below:

Assets	No.	Client Responsibility	Strategic Importance	Primary Function
Museums	2	Dev. Services	Low	Historic value/tourist attraction
Harbour Premises	4	Direct Services	Medium	Supports the economy/tourism
Recycling Centres	3	Direct Services	High	To deliver frontline services
Depots	12	Direct Services	High	To deliver frontline services
Public toilets	32	Direct Services	Low	For community use

Town Halls	10	Education	Low	For community use
Community Centres	8	Education	Low	For community use
Swimming/Leisure	5	Education	Low	For community use
Libraries	12	Education	Low	For community use
Pavilions	18	Education	Low	For community use
Primary Schools	46*	Education	High	To educate children
Secondary Schools	8	Education	High	To educate children
Depots	3	H & Property	High	To deliver frontline services
Homeless Hostels	2	H & Property	High	To prevent homelessness
Day Centres	7	MIJB	High	Elderly/vulnerable clients U65
Respite Centres	1	MIJB	High	To support vulnerable people
Services/Storage	10	Mixed	High	To store records/equipment
Offices	15	H & Property	High	To deliver front line services

Note: Linkwood is a registered school operating from East End at present

A full list of corporate buildings is provided in **APPENDIX I** and details of the School Estate in **APPENDIX II**.

3.3 School Estate

Delivering Curriculum for Excellence, Getting it Right for Every Child (GIRFEC) and closing the poverty related attainment gap continues to be the key priorities for Education. While the school estate supports these priorities, the condition (if not addressed) is likely to impact and disrupt pupil education. The learning environment is essential to ensuring positive learning experiences by providing a nurturing and safe environment for children and young people to achieve. In addition, to prepare learners for jobs that do not yet exist, it is essential that our school buildings continue to meet new and emerging standards and are fit for purpose.

The school estate includes 46 primary and 8 secondary schools. The value of the entire school estate at 31 March 2018 is £201.817m. To bring all the exiting estate up to BB standard (B for suitability and B for condition) would require **£142m** of capital investment. These cost estimates were updated on 10 May 2018.

Education has the “client” responsibility for the school estate. Property Services provide support in relation to the programming of capital works to the value of £3m per annum in line with the Council’s Make Do and Mend policy. Based on the current spend profile, it would take **47 years** to bring all the existing school estate up to a B condition standard. This period takes no account of natural deterioration and lifecycle of building elements. Without rationalisation or a significant increase in capital investment, the task to maintain the existing school estate to B condition standard is impossible to achieve.

Education also receives support from Property Services in organising and arranging reactive/cyclical repairs and maintenance to the school estate. An annual budget of £1.2m is set aside for this purpose. Current industry standards suggest that even if the school estate were to be at a B condition

standard, ongoing investment of between £4m to £6m per annum would be required simply to maintain the schools at that level.

Capital and Revenue expenditure is insufficient to make any difference to the overall condition of the school estate. It is logical to assume therefore that deterioration will continue and eventually school closures (temporary and potentially longer term) are inevitable.

Recommendation 1.

It would be prudent to develop a strategy for the school estate. This needs to consider future investment priorities, new build and refurbishment opportunities, rationalisation and maximising where appropriate the use of all school buildings. This strategy should also be linked to future developments as part of the Local Development Plan so that Developer Contributions can be maximised.

Within Devolved School Management Budgets (DSM), there is an element allowed for repairs and maintenance. These budgets are controlled by individual schools and do not work in conjunction with the Council's repairs and maintenance programmes. The protocol does not currently offer the Council Best Value. The protocol expired on 31 May 2016 and is due for renewal.

Recommendation 2

Consultation should take place with Head Teachers on what should be included within a revised protocol and to make them aware of the priority repairs within their respective schools to encourage investment in these areas where appropriate.

The Council has addressed the poor condition of 2 schools (Elgin Academy and Keith Primary) using Public Private Partnerships (PPP). The basic concept of PPP is straightforward: instead of buying a road, building or other asset and then operating it itself the public sector enters into a long-term contract with the private sector to do so. A unitary payment is made for the services and assets provided on a regular basis over the life of the contract. Appropriate risks are transferred to the private sector where it can manage them best. This reduces public sector exposure, for example to cost overruns, provides certainty over future costs and rewards operators who manage services well. The applicable assets revert to the public sector at the end of the contract period.

During the life of the contract, the Council is required to pay monthly instalments towards building maintenance, furniture, fixtures and fittings, energy and facilities management. All payments are indexed linked which means that over the contract period, the monthly payments are likely to

increase but penalties can also be applied where there is a failure on the part of the provider.

Schools	Asset Value	Contract Period	Monthly payments to PPP	Estimated amounts payable over the life of the contract
Keith Primary	£8.396m	30 years	£108,504	£41.247m
Elgin Academy	£26.687m	30 years	£297,269	£113.004m

Elgin High was replaced through a partnership arrangement involving the Council, Scottish Futures Trust and HUBCo (contract administrator). It was a design/build/finance and maintain project. The agreement is mainly for the building upkeep with the Council being responsible for soft facilities management.

School	Capital Costs (Council)	Asset Value	Contract Period	Monthly payments to PPP	Estimated amounts payable over the life of the contract
Elgin High School	£0.295k	£27.413m	25	£205,586.66	£61.676 million

The replacement of Lossiemouth High School began in Autumn 2018/19. The cost of this project is currently estimated at £42.3m with £26,396m coming from Scottish Futures Trust and the Council contributing £15.904m. Once completed, the Council will be responsible for ongoing maintenance of the school.

An additional primary school at Linkwood, Elgin is also planned with HUBCo appointed as the main contractor (design and build only). The Council will also be responsible for ongoing maintenance once the school is completed.

Recommendation 3

Option appraisals should be completed prior to any future new build schools or refurbishment projects. Corporate Directors should sign off options appraisals as an additional level of financial scrutiny as part of best value. The “optimum size” primary school also needs to be considered as this would control costs and the number of new schools that will be required to deliver core education services.

3.4 Corporate Buildings

Corporate buildings include offices and depots. Of the 15 offices, 12 are in Elgin, 1 in Keith, 1 in Forres and 1 in Buckie. To bring all of these buildings up to a B condition standard is currently estimated at £895k. An Out of Elgin Office review was previously considered but not progressed.

Recommendation 4

The Council should reconsider an in and out of Elgin office review and consider whether services could be provided using HUB type models (i.e. services based together in under-utilised schools and/or other public service buildings. This could reduce costs and generate new income through lease/disposal of property assets that are no longer required.

The Council has 15 separate depots. Of these, 12 are within the control of Direct Services and 3 are operated by Building Services (DLO). Plans are underway to develop a depot at Moycroft, Elgin which will see the number of depots reduce from 15 to 13. To bring all of these buildings up to the required B condition standard is currently estimated at £2.2m.

Recommendation 5

A further review of depots should be completed to investigate whether there is scope to share depot space/decommission some depots and whether there are options to share other plant, machinery, etc. between DLO's to reduce annual revenue spend.

There are 10 industrial units being used by services for differing purposes. Each unit attracts an internal recharge which combined amounts to £131,130 (rent) and £48,930 (rates) per annum. Some of these units could generate a new income for the Council if they were returned for external lease. The Council should also investigate the storage needs of other partners (i.e. NHS, Police, etc.) to establish if further rationalisation could be achieved.

Recommendation 6

A review of storage options should be completed.

3.5 Community Property Assets

Community Property Assets include swimming pools, town halls, community centres, libraries, public toilets, pavilions and museums. To bring these buildings up to a B condition standard is estimated at £5.2m. This includes swimming pools/leisure (£844k), town halls (£1.2m), Community Centres (£2.2m), Libraries (218k), toilets (£235k), Pavilions (£328k) and museums (£235k).

A review of Leisure facilities has not yet led to a final decision on the future of the estate. One option entails the transfer of facilities to a trust. If the transfer were to go ahead, it would be sensible to investigate whether it would be possible to transfer these assets in their current condition as private finance might be available if these were no longer in the ownership of the Council.

As part of setting the Council's budget for 2018/19, some of the 32 toilets owned by the Council have been closed. Work also continues to transfer

town halls and potentially other buildings to community groups where possible.

A review of the Falconer Museum and store is currently being taken forward by the Head of Development Services. Outstanding maintenance required to bring these building up to a B condition standard is £235k.

Recommendation 7

The Council needs to complete its Leisure and Museum reviews and decide the future of these services.

3.6 Specialist Assets

These include day centres, respite accommodation and temporary accommodation for homeless people. To bring these assets up to the required standard is currently estimated at £493k. These costs include day centres (£278k), respite accommodation (26k) and temporary accommodation (189k). These services continue to offer a place of safety for the most vulnerable people in Moray.

3.7 Infrastructure Assets

Property assets sitting in the Infrastructure portfolio include recycling centres and harbour offices. To bring these buildings up to a B condition standard is estimated at £253k. There are no plans to extend the number of recycling centres. They play a key role in terms of the Council's waste management strategy. Only Buckie Harbour has a strategic role with regards to potential offshore windfarms and commercial trade.

Other Infrastructure assets include roads, street light columns, litter bins, culverts, bridges, flood schemes, coastal defences, carparks, open spaces, parks, monuments, cemeteries, headstones, bus shelters, traffic lights, footpaths, signs, fountains, pitches, skate parks, trees, play equipment, town clocks, fencing, gates, walls and seating. There are also vehicles, plant, equipment as well as ICT hardware that need to be considered as part of Asset Management Plans.

The Property Asset Management Appraisal does not consider any Infrastructure assets as it is focused on specifically on property. Asset Management Plans for roads, street lighting and fleet have been completed and an Asset Plan for harbours is currently being developed.

Recommendation 8

A full register of all Infrastructure assets should be developed to establish if there are any further opportunities for rationalisation and potential savings.

3.8 Non-operational Property Assets

The Industrial Portfolio and other commercial leases fall under the control of Housing and Property. As at 31 March 2018, 92% of these units were occupied. The industrial portfolio comprises 178 business units and 126 development leases, as well as a stock of serviced and un-serviced land for future development. These currently generate rents totalling £1.756m. In addition, rents from non-industrial leased properties generate rents totalling £59,000 annually. Due to a lack of private sector investment the Council's business units and serviced sites are crucial to small businesses and economic development in Moray. In recent years the Council has invested heavily in new units and refurbishing existing stock. Condition surveys are currently being carried out although the portfolio is considered generally to be in reasonable condition.

Rental income from non-property assets far exceed the reduction in the Council's borrowing costs that could be realised from their sale. The portfolio is generally performing well, with consistently high occupancy rates and rising rental income. Financially, it would be in the Council's best interests to retain the non-operational property assets but given the wider financial situation facing the Authority, there remains the option to sell part/all of the estate.

Recommendation 9

The Council should decide if it wishes to retain the industrial portfolio or sell part/all of the estate to generate capital receipts.

3.9 Make Do and Mend

In recent years, the Council has been required to find budget savings in services funded by the General Services Account. In May 2016, the Council agreed to implement a Make Do and Mend Policy (MDAM) to reduce maintenance costs for its property assets (excluding council housing). Full Council agreed a paper on the implementation of the policy on 7 December 2016. MDAM is a concept where the Council will manage with less by repairing what it has and will only buy new or replace elements in cases where there is no other suitable or sustainable alternative and/or there is a health and safety risk. The Policy covers all fixed assets owned by the Council. A link to the policy document is provided below:

<http://www.moray.gov.uk/minutes/data/MC20161207/Item%208-Appendix%201-Financial%20Plan%20Review.pdf>

MDAM exposes the Council to significant risk and will only provide potential savings in the short term. The position is not sustainable and reinforces the view that the Council is not in a financial position to maintain all of the property assets that it owns. Longer term, the policy by its nature will cost more than it saves in the short term.

Recommendation 11

The Council should review MDAM in 2018/19 and decide how best to address the backlog of maintenance across the Property Estate (excluding housing).

3.10 Housing

The Council has 6,052 properties that it rents out as social housing. These assets sit within the Housing Revenue Account (HRA) which is ring-fenced for housing management activities. In 2018/19, the HRA is expected to generate an income of £19.134m exclusively from council tenant rents. The Council reports its landlord performance to the Scottish Housing Regulator (SHR) on an annual basis. The condition of the housing stock is periodically assessed to inform the annual housing investment programme. At 1 April 2018, 96% of the housing stock met the Scottish Housing Quality Standard with only a small number of exemptions and abeyances.

The Housing service is currently regulated by the Scottish Housing Regulator. There would be no financial gain to the General Services Account if the Council were to decide to stock transfer. There would also be very little benefit to the Housing Revenue Account (i.e. there is no longer the potential to write off historic HRA debt). The HRA is well managed and the Council in its landlord role performs well in comparison to other Scottish Local Authorities.

The HRA owns and maintains 24 playparks mainly located in traditional council housing schemes. It also has 12 development sites for new build housing and 5 other sites that are leased out for financial gain.

Recommendation 10

The Housing Service should review all of its leased sites to ensure that they continue to offer the HRA best value.

4. THE EXTERNAL ENVIRONMENT**4.1 Statutory Responsibilities**

The Council has a duty to manage risk and assess the impact of statutory regulations relating to its assets around accessibility, asbestos, legionella and fire safety in conjunction with the Council's Health and Safety Team.

Accessibility

The responsibility to prevent disability discrimination against building users is covered under the Equality Act 2010. This was previously covered under Disability Discrimination audits, when it was confirmed that 89.7% of our corporate buildings are compliant, with the remaining buildings excluded from

commitment to physical works on the grounds of 'reasonable' cost. Reasonable adjustment to operational procedures has been made in our buildings to accommodate all users. This is now periodically reviewed under the accessibility heading within Suitability Assessments.

Control of Asbestos Regulations

We have a duty under the Control of Asbestos Regulations 2012 to identify and manage all asbestos containing material (ACM). Reports are readily available at all buildings to inform of asbestos risk. Specialist Consultant costs for this has averaged £117k over the past 3 years, but the work is now mostly dealt with by dedicated in-house staff.

Control of Legionella

Under the Health and Safety at Work Act 1974 and the Control of Hazardous Health Regulations 2002, the Council is responsible for taking all reasonable precautions to prevent, control and guard against the harmful effects of water borne pathogens to all building users. The annual capital budget for water hygiene upgrades in Schools is £35k.

Fire Risk Assessments

The assessment of the risk to life from fire in all buildings is carried by the Corporate Health and Safety Team. Where appropriate, it will make recommendations to ensure compliance with the Fire (Scotland) Act 2005 and the Fire Safety (Scotland) Regulations 2006. The Capital budget allocation for associated improvement works is currently £40k for all corporate buildings and £195k for schools.

Legislative Servicing Generally

The Council has responsibilities for safety checks and servicing of mechanical and electrical systems in all buildings. This involves periodic servicing of major items like gas/oil boiler plant, fixed electrical installations, fire/intruder alarms, passenger lifts and fire-fighting equipment. The annual servicing cost is £360k for all corporate buildings and schools.

Health and Safety

The Council has a duty to ensure that it protects its staff, workers and/or any external contractors that it appoints to carry out maintenance projects. The Construction Design Management Regulations (CDM) requires it to identify property risks, ensuring welfare facilities is available at construction sites and managing the Health and Safety files before, during and after a construction project.

There have been problems with individual services organising maintenance works to their own service buildings. This has led to serious accidents and/or buildings potentially becoming unsafe (i.e. ICT installations which have breached fire protection barriers above ceilings in some schools).

Recommendation 12

A Corporate Landlord Charter should be developed and be implemented across the property portfolio as soon as is practical. Thereafter, CMT/SMT must ensure that all services adhere to the operating requirements set out within the Charter.

4.2 Best Practice

There are many professional bodies (Audit Scotland, CIPFA, APSE) that give opinions of what good Asset Management should look like. By comparing a range of different models, a framework for Moray has been developed to outline how the Council could improve its current approach to Asset Management.

What does it look like?	What is Moray doing?
<p>Step 1: Asset Management processes within the local authority</p> <ul style="list-style-type: none">Asset Management should be prioritised at a senior level.Asset Management principles need to be applied corporately.Elected Members should be involved in asset management.Ensure that formal mechanisms are in place to engage with citizens and to collect, analyse and store relevant property data.	<p>The Asset Management Working Group includes corporate directors. It oversees mainly the Capital Plan but does not routinely review the wider asset portfolios.</p> <p>Individual Services generally control their own assets. There is collaborative working in some areas (i.e. schools).</p> <p>Elected Members are involved in approving the Capital Plan which includes work on assets. They also approve material works reported through relevant service committees</p> <p>There are formal mechanisms for engaging with citizens but this would be an area for further development in relation to consultation around property assets.</p>
<p>Step 2: Asset with visions</p> <ul style="list-style-type: none">Ensure that the asset management plan is a medium to long term plan.Link the plan to the corporate plan and statutory requirements.Clearly outline the objectives for each asset and consider all options for all assets.Work across Departments to align asset management strategies.	<p>The Property Asset Management Appraisal should help inform the development of a Property Asset Management Strategy which realistically should cover the period 2019 – 2023.</p> <p>The Corporate Plan and council priorities are currently under review. It is proposed to link a new Property Asset Management Strategy to the updated corporate plan once there is clarity in terms of future direction.</p> <p>This will be done after a review of all the different assets has been completed.</p> <p>This would be developed once the Council has clarity around future service priorities and the assets required to deliver them.</p>
<p>Step 3: Implementation of the Asset Management Plan</p> <ul style="list-style-type: none">Establish clear strategic approaches to the utilisation of space and flexible working, co-location with partners and stakeholders.	<p>Some services were not reviewed as part of DBS. It would make sense to look at these areas as part of transforming services to establish if savings could be achieved in these areas from smarter working practices.</p>

<ul style="list-style-type: none"> Consider options for under-used assets, options for financing new assets and how the Council can maintain and adapt existing assets as needed. 	<p>A Property Asset Management Strategy will provide information to CMT/Elected Members to help them restructure services and review the asset base required to deliver those services.</p>
<p>Step 4: Review and Monitor Progress</p> <ul style="list-style-type: none"> Periodically review the Property Asset Management Plan and the corporate management arrangements for asset planning to ensure they remain fit for purpose. Conduct post project reviews of all capital projects and identify areas of learning. 	<p>An Improvement Plan is shown at Section 16. It would be proposed to review the Improvement Plan on an annual basis.</p> <p>The Asset Management Working Group currently identifies the “high value” capital projects for post project reviews. The Property Asset Management Working Group should be used to oversee lower value project reviews. This will improve governance and help shape good practice and inform future asset management strategies.</p>

5. ASSET INFORMATION

5.1 Asset Information Systems

Information is held across different systems and formats and by different departments. There should be a “common data environment” developed which is driven by Building Information Modelling (BIM). BIM is a collaborative way of working, underpinned by the digital technologies which unlock more efficient methods of designing, creating and maintaining assets. BIM embeds key product and asset data and uses a 3 dimensional computer model that can be used for effective management of information throughout a project lifecycle – from earliest concept through to operation. A business case for BIM has been developed and will be considered by the Corporate Management Team early in 2019. The main purpose of the business case is to identify the associated costs of implementing BIM in Moray and how this will generate future efficiencies and other benefits.

The Council has Uniform which is a data base used by Estates and by other departments for their own purposes. It would make sense to develop one integrated system linking all fixed assets into the same system. This would bring a visibility of all the Council’s property assets which to date has not been possible.

Basic information on property assets is held by Housing and Property. It relates mainly to condition surveys and estimated values for essential repairs. Less is known about the strategic importance of some buildings from a service perspective and whether there is any scope for sharing some buildings and/or further opportunities to rationalise the estate.

5.2 Asset Surveys

Asset surveys help the Council to comply with statutory regulations and provide a clear indication of the performance of the asset portfolio. It also contributes directly to the process of service improvement. Property assets have a 5 year rolling programme of inspections. Due to the condition of the estate, it will be necessary to consider how we develop a more effective and robust approach to mitigate the known risks within the portfolio. This will be considered as part of a review of how best the Council should manage its property assets.

5.3 Asset Information (Digital solution)

Good practice would support a position where the Council holds basic information in relation to each of its property assets. At present each operational building retains a manual setting out maintenance information, presence of asbestos, etc. Access to these manuals can sometimes be problematic out of hours and therefore it is proposed that a digital solution to replace the manuals should be investigated. These can be held both onsite, with respective services and with Property Services who normally organise repairs to the portfolio. If BIM was adopted, more specific information on buildings could also be made available to staff, building users and contractors.

Recommendation 13

The Council should decide how it holds property information and how it provides this information to building users, building visitors and internal/external contractors.

6. **PROPERTY PERFORMANCE MANAGEMENT**

6.1 Performance of Buildings

As economic pressures continue to affect the Council, the property portfolio must be seen as a strategic enabler. Property needs to be integral to the business planning process and its efficiency and effectiveness needs to be measured in the same way as other business resources.

Property performance measurement and benchmarking is an essential tool to support continuous improvement in active asset management, it allows the measurement of the performance of accommodation in relation to a number of key performance indicators of both efficiency and effectiveness, and to compare that performance against others in the public sector. A set of simple indicators can be used to assess performance. It is proposed that the following indicators are used to develop a baseline for future service improvements.

- Asset Condition and Maintenance Indicators;
- Energy and Water Consumptions & CO2 Emissions;
- Suitability;

- Accessibility;
- Capacity and Utilisation (in relation to office space);
- Property costs (running costs); and
- Project Time and Cost Predictability to help monitor the capital plan.

Recommendation 14

The Council should decide whether it wants to develop baseline indicators to allow it to monitor the performance of its property assets.

7. CHALLENGING THE OPERATIONAL PROPERTY PORTFOLIO

7.1 Asset Investment & Rationalisation

There is a need for the Council to identify what are its statutory/corporate priorities and thereafter what property assets it requires to support these. It should only hold on to assets that it needs and therefore rationalisation, reconfiguration and shared opportunities should form part of a wider strategy with key partners that consider:

- Reduction of revenue and capital costs;
- Increased capital receipts;
- Reduced space and sell surplus assets;
- Reviewing the disposal process; and
- A focus upon the retained assets with the highest maintenance backlog.

7.2 Capital Receipts

The Asset Management Working Group should continue to actively review the Council's property assets for potential capital receipts. Strategic Leadership is viewed as essential when challenging the operational property portfolio.

7.3 Management of the Corporate Repairs and Maintenance Budgets

The Council should consider combining the repairs and maintenance budgets for corporate buildings and schools (including the DSM repairs element) into one single asset management work stream. This would ensure appropriate oversight for new projects, improve the management of existing projects and help control budgets more effectively. It would also encourage better forward planning, streamline work programmes, help generate procurement efficiencies and avoid abortive costs.

Recommendation 15

The Council should combine the repairs and maintenance budgets for the school estate and corporate buildings. It would also make sense to have one service (Property) manage the repairs and maintenance obligations for the corporate and school estates. Work has commenced on a new staffing structure to enable the Council to deliver this transformational change.

8. CHALLENGING AND MAINTAINING THE NON-OPERATIONAL PROPERTY PORTFOLIO

8.1 Review the Portfolio

The non-operational property portfolio is an important source of annual revenue and potential capital receipts. It consists mainly of the industrial estate. The portfolio has been developed to support economic growth and development in the absence of other external developers as well as generate revenue income for the Council.

8.2 Challenge and Rationalise

The ongoing retention of these assets should be considered annually in relation to the following criteria:

- Holding costs are minimised;
- Revenue producing potential is maximised;
- There is a clear identification of reasons for retention; and
- A management plan is in place until disposal.

Recommendation 16

If the Council retains all/part of the non-operational portfolio, it should decide whether it wishes to introduce criteria to allow it to challenge and rationalise the non-operational portfolio on an annual basis.

9. SURPLUS PROPERTIES

9.1 Surplus Properties

Properties which are identified as no longer required for their current service use are scrutinised via the Surplus Property Procedure. This identifies if there is any operational need to retain the property. At the time of writing, there were 39 surplus properties that the Council is seeking to dispose of.

9.2 Asset Disposal

A small number of properties (such as Grant Lodge) are not able to be sold. The majority of surplus properties (39) can be disposed of and the Estates Team based in Property Services market these for sale. Disposal strategies take account of each property's characteristics, market conditions and the ongoing costs of holding the property. As part of the Property Services review, options to speed up the property disposal programme will be considered.

10. MANAGING THE ENVIRONMENTAL IMPACT OF OUR ASSETS

10.1 Energy Efficient Buildings

The Council's energy is supplied via various national Procurement Scotland contracts. Energy consumption from the Council's non-domestic buildings is currently around 44,900,000 kWh with an annual energy bill of £2.6M. The main objective of the Council's Energy Policy is to reduce consumption in the Council's non-domestic operational properties by 2% per annum. Energy efficiency initiatives currently centre on awareness raising/management and physical energy projects for which budgetary provision of £15k is made annually in the capital plan. Energy efficiency considerations are taken into account when buildings are refurbished but potential options (e.g. biomass boilers) are being value engineered out to keep within respective capital budgets. Taking full life costs into consideration would result in potentially better energy efficiency options being installed as part of building refurbishments.

Recommendation 17

The Council should consider whether they wish to use full life costs as part of its option appraisal process for property refurbishments.

10.2 Water Management

The Council's water is supplied by Anglian Water via national Procurement Scotland arrangements. Water consumption from the Council's non-domestic buildings is currently around 134,000m³ annually, at a cost of £506,000, which includes a 2% discount for paying annually in advance.

10.3 Carbon Management

The Council is now required to report to the Scottish Government on its overall carbon emissions and policies/strategies on an annual basis. Carbon emissions from the Council's non-domestic properties are currently 12,832 tonnes CO₂ annually. Carbon Management is carried out departmentally according to activity and is reported corporately.

10.4 Climate Change

The Council's performance in relation to Climate Change is carried out by individual departments (according to activity) and is reported individually to relevant Committees. There is limited resource and specialist expertise across the Council to enable it to deliver the new and increasing obligations set out in the Climate Change (Scotland) Act 2009 and the Energy Efficient Scotland 20-year Programme. Officers are in the process of finalising a Climate Change Strategy for Moray which will look at a phased approach linking the need for resources with meeting the new requirements contained within the Act. It is intended to present a Strategy to Council in February 2019.

11. MAJOR ASSET AND REGENERATION INITIATIVES

11.1 Improving the Council's housing stock

The Housing Investment Programme is approved on an annual basis. In 2018/19, the Council intends to spend £12.384m improving the condition of its housing stock. From 2018/19 to 2020/21, additional borrowing will be required to help the Council meet the Scottish Energy Efficiency Standard for Social Housing (EESH). This is likely to be in the region of £4.7m over this period.

11.2 New Build Housing

The Council has attracted Scottish Government funding of £25m to fund the Moray Affordable Housing Programme over the next three years. Both the Council and housing associations will use this funding to deliver new affordable housing in Moray. The Moray Strategic Housing Investment Plan (2018-23) makes provision for almost £10m of the funding to be used to fund the Council's new build housing programme.

11.3 Building Schools for the Future

The expansion of nursery provision is a national priority and will be funded by the Scottish Government. Additional provision will need to be in place by August 2020.

Linkwood Primary is scheduled to go ahead in 2018/19.

Prior to the next announcement of funding by the Scottish Government as part of the Schools for the Future (Phase 5), the Council will need to decide whether it wishes to bid for this funding and if so, what schools should be prioritised for replacement/refurbishment. This should be an early decision in terms of the School Estate Strategy in Recommendation 1.

11.4 Infrastructure Projects

The main infrastructure projects that will need to be prioritised over the next 10 years include the Moycroft depot, Craigellachie Bridge, the implementation of the Elgin Transport Strategy as well as other bridge maintenance projects and potential flood alleviation schemes.

12. CAPITAL STRATEGY FOR PROPERTY ASSETS

12.1 Property/Construction Project Management

This section considers how the Council could improve its management and oversight of property/construction projects. It seeks to harmonise current processes and bring some consistency in terms of a collective approach in order to deliver affordable and sustainable projects.

12.2 Property Asset Management Working Group

The Property Asset Management Working Group should in future agree and track all significant property projects. This will ensure that property projects have appropriate resources and budget availability and that these are ordered in terms of budget and strategic importance. The Group will oversee property projects delivered as part of the Capital Plan and this should include HUBCo projects. It will also ensure that each project receives the correct level of scrutiny, control expenditure and report progress on individual projects regularly to the Asset Management Working Group for corporate oversight.

12.3 Project Briefs & Gateway Process

Any project relating to property assets should be accompanied by a project brief. The brief should be the subject of a property gateway process to be considered by the Property Asset Management Working Group in the first instance.

12.4 Asset Management Working Group

The Asset Management Working Group will be responsible for corporate oversight to ensure a Property Asset Management Strategy is developed and any improvement plans are delivered.

Recommendation 18

The Council should decide whether it wants to adopt the changes proposed in terms of project governance.

12.5 Capital Plan

Capital expenditure is funded from three sources: capital grants from Scottish Government and other sources; capital receipts from the sale of assets or from developer contributions; and borrowing. When the Council borrows for capital expenditure, the capital financing charges incurred are met from the revenue budget. The Capital Plan therefore has a direct impact on the revenue budget and the two are considered jointly at the same budget-setting meeting of the Council. Capital financing charges are a long-term cost to the Council. The Council needs to be clear how much of its revenue budget it is prepared to spend on financing debt. The council capital planning process must also be more closely aligned with its local planning and development plans. The five principal drivers for capital expenditure are:

- Legislative requirements;
- Efficiencies or spend to save projects;
- Maintenance of assets and operations at current approved levels;
- Service developments; and
- Council priorities.

The Capital Plan has significantly reduced in recent years following the completion of major flood alleviation schemes which were 80% funded by the Scottish Government. In 2018/19 however, the Capital Plan will increase to £55m with the main increase related to new schools and nursery provision.

12.6 Capital Borrowing

Limits on capital borrowing are set through the Prudential Code and the targets associated with this are reported annually to Full Council. However, these financial indicators do not lend themselves to a transparent set of controls that would aid the prioritisation of capital spend.

12.7 Methodologies for Capital Spend

A review of methodologies to help prioritise capital spend would be advisable so that it remains affordable, sustainable and provides a consistent approach to capital planning. Examples that could form part of such a review would include:

Economic life of asset / asset base review

For each class and sub-set of council assets, determine a whole-life costing expenditure profile (revenue and capital) which includes major element replacement at the optimum time for the economic life of the asset, to minimise the overall cost to the council of maintaining its asset base. If this approach is to be adopted it should be coupled with a rigorous review of the council's asset base to reduce that base to a sustainable level. Targets for reduction could be based on council priorities, with consideration given to potential external funding, the possibility of Community Asset Transfer and the potential for capital receipt to be generated.

Capital Plan bias

If the Council were so minded, it could set a bias within the Capital Plan towards a particular group of assets (i.e. the school estate). This would allow a higher allocation of capital for the replacement/renovation of these assets during the lifecycle of the Plan. This would have a positive impact on the current condition of the school estate which requires significant investment to bring these properties up to BB standard.

Sustainable Schools Policy

This would allow the Council to focus spend on schools that have a long term sustainable future and prevent budgets being expended on schools that have been identified for replacement or refurbishment programmes.

Recommendation 19

The Council should decide whether it wants to review its approach to Capital Planning.

13. PROCUREMENT

13.1 Routes to Procurement

Although the Council carries out an annual Departmental Procurement Action Plan (DPAP) process to determine the priorities and activities planned for the coming year, each project is seen as a distinct and separate entity, with little regard to any overall strategic and corporate plan.

Despite this process, 25% of all procurement projects undertaken in 2016 were unplanned and did not feature in service procurement plans (DPAP). This suggests a lack of forward planning with decisions being driven by budgets without a collective strategic understanding and overview.

By linking the process to a Property Asset Management Plan, procurement activity can start much earlier, it can support corporate priorities (rather than individual departments), and avoid wasting resources on projects that are never taken to final stage.

Any procurement project (including repairs and maintenance) should only start once the requirement has been signed off by the Asset Management Working Group in accordance with the Property Asset Management Plan.

Currently the services involved in asset build, repairs and maintenance are located in different services, with different processes, driven mostly by the differing nature of the assets they support. Stronger links would allow for detailed data sharing and a consistency of approach.

13.2 Major Construction Procurement

It is rare for the Corporate Procurement team to be included in any of the large construction projects, including HUBCo. If they are, it is usually after the procurement route has been determined. Earlier engagement with the team i.e. membership of project boards would allow for wider consideration of procurement issues.

13.3 Contract Management

Historically any contract linked to construction has a defined and well documented management process. This takes account of performance throughout the life cycle of the project. However it tends to stop there. Post project reviews that take account, not just of the contractor performance, but of the type of procurement, type of build, the risks encountered, the skills gaps, contract design, etc. could strategically inform the future programme of work and take account of changing legislation and market forces. Adequate resourcing contract management, particularly in the construction industry is essential, as it informs future projects and avoids repeating unforeseen and costly mistakes.

Recommendation 20

The Council should ensure that the Procurement Team play an active role in all property related projects and are involved much earlier in this process to allow financial oversight and to ensure that contract management and post project reviews are carried out.

14. CONCLUSIONS

- 14.1 The Property Asset Management Appraisal (2018) has been written in a period where the Council is facing unprecedented budget pressures and cuts to its public services. The appraisal echoes the advice tendered to Council at its meeting on 30 March 2016. This stated that the Council is not in a financial position to maintain all of its property assets. Doing nothing will only exacerbate the situation and a number of properties (mainly schools) remain at serious risk of short-term/long-term closure due to their current condition.
- 14.2 The Property Portfolio continues to present a number of Health and Safety concerns due to ongoing building deterioration. The Council must develop a robust system for monitoring the condition of the estate to mitigate risks where possible.
- 14.2 The aim of the appraisal is to provide a framework to support discussions on options that the Council will need to consider in order to address the “hidden” financial burden relating to its Property Portfolio. There are 20 separate recommendations to help shape future thinking and strong leadership at political/officer levels, structural change, flexibility and resilience within the collective workforce will all be required.
- 14.3 Options to address deterioration must include the replacement, refurbishment and rationalisation of the Property Portfolio. Where possible the use of all property assets needs to be maximised to best effect. The Council should also investigate options to generate new income and to reduce maintenance and energy costs across the portfolio.
- 14.4 There are a number of recommendations specific to the school estate and an executive summary in **APPENDIX II** sets out the challenges in more detail.
- 14.5 An Improvement Plan relating to the 20 recommendations is provided in Section 16. If these recommendations are approved by Council, the actions contained within the improvement plan will be progressed during the remainder of 2018/19 and beyond. Progress in terms of implementation will be reported to the Corporate Management Team and Council annually.

15. SUMMARY OF MAINTENANCE COSTS TO BRING THE PROPERTY PORTFOLIO UP TO BB STANDARD

Assets	Maintenance Costs to BB £000 (as at 1 May 2018)	Capital Plan Projects 2018/19 - £000	Revised Maintenance Costs - £000
Offices	£894,821	No investment proposed	£894,821
Depots	£2,233,949*	No investment proposed	£2,233,949*
Services/Storage	£220,423	No investment proposed	£220,423
Swimming/Leisure	£844,456	No investment proposed	£844,456
Town Halls	£1,163,203	No investment proposed	£1,163,203
Community Centres	£2,244,548	No investment proposed	£2,244,548
Libraries	£217,722	No investment proposed	£217,722
Public toilets	£192,494	No investment proposed	£192,494
Pavilions	£327,657	No investment proposed	£327,657
Museums	£235,305	No investment proposed	£235,305
Day Centres	£277,695	No investment proposed	£277,695
Respite Centre	£26,224	No investment proposed	£26,224
Homeless Hostels	£188,509	No investment proposed	£188,509
Recycling Centres	£46,981	£310,000	Removes maintenance cost
Harbour Premises	£207,846	£60,000	£147,846
Corporate Buildings	£9,321,833	£370,000	£9,214,852
Primary Schools	£67,089,576	£2,275,000	£64,814,576
Secondary Schools	£74,588,991	£1,385,000	£73,203,991
School Estate	£141,678,567	£3,660,000	£138,018,567
Total Cost	£151,000,400	£4,030,000	£147,233,419

Note: These maintenance costs are estimated and could be higher than currently projected. Projects programmed within the Capital Plan for 2018/19 will reduce maintenance costs but only if they are delivered. The revised estimated maintenance costs reflect the amended position that the Capital Works identified for 2018/19 are completed.

16. IMPROVEMENT PLAN 2018-2020 – Linked to the 20 Recommendations provided within the Appraisal

The improvement plan is based on the strategic recommendations identified within the report. Some recommendations are ranked short (up to 6 months), medium (up to 1 year) and long term (more than 1 year). Short term actions will include priorities that need to be progressed due to their urgency or they are quick to implement. Progress on implementing the Plan will be determined by the resources made available within each of the different service areas. Some recommendations are included within the Corporate Modernisation and Improvement Programme (CMIP) and are cross referenced in this Improvement Plan.

Recommendations from the Property Asset Management Appraisal	CMIP reference	Key Milestone	By	Lead Officer(s)	Ranking
<u>Recommendation 1</u> Develop a school estate strategy to address a range of property related issues and educational outcomes. This should include options for replacement/refurbishment and rationalisation where necessary. The strategy should contain key criteria to underpin key strategic decisions.	Section 1.5	School Estate Strategy in place	March 2019	Acting Director of Education	Short term
<u>Recommendation 2</u> Develop a new protocol for the DSM tenants' budget – linked to Recommendation 1.	Section 1.5	New Protocol in place	September 2019	Acting Director of Education	Medium Term
<u>Recommendation 3</u> Develop an options appraisal template to support the decision making process for the replacement/refurbishment/rationalisation of the school estate – linked to Recommendation 1.	Section 1.5	Options Appraisal tool kit in place	March 2019	Acting Director of Education	Short term

Recommendations from the Property Asset Management Appraisal	CMIP reference	Key Milestone	By	Lead Officer(s)	Ranking
<u>Recommendation 4</u> A review of the Council's office estate should be completed.	Section 1.3	Office review completed	November 2019	Head of Housing and Property	Medium Term
<u>Recommendation 5</u> A further review of depots should be undertaken.	Section 1.1	Depot review completed	November 2019	Heads of Housing and Property and Direct Services	Medium Term
<u>Recommendation 6</u> A review of storage options should be undertaken.	Section 1.1	Storage review completed	November 2019	Head of Housing and Property	Medium term
<u>Recommendation 7</u> The Council needs to reach decisions with regards to the Leisure Review and Museum buildings.	Section 3.3	Decisions made	November 2019	Acting Director of Education and Head of Development Services	Medium term
<u>Recommendation 8</u> The Council should develop a register of all its infrastructure assets to help identify any potential areas where there may be further "hidden" liabilities and/or potential savings.	N/A	Full Register in place	March 2020	Director of Corporate Services and Head of Financial Services	Long term

Recommendations from the Property Asset Management Appraisal	CMIP reference	Key Milestone	By	Lead Officer(s)	Ranking
<u>Recommendation 9</u> The Council should consider whether it wishes to retain its industrial portfolio (in full or in part) or sell the estate (in full or in part) to generate capital receipts.	Section 1.1	Future of the Industrial Portfolio determined	March 2019	Head of Housing and Property	Short term
<u>Recommendation 10</u> The Council should review the sites that are held within the Housing Revenue Account.	N/A	Review of sites completed	September 2019	Head of Housing and Property	Medium term
<u>Recommendation 11</u> The Council is due to review its policy of Make Do and Mend Policy in 2018/19.	Section 1.1	Review Completed	March 2019	Corporate Management Team and Head of Housing and Property	Short term
<u>Recommendation 12</u> Develop a Landlord Charter to support the management of the Property Portfolio.	Section 1.1	Corporate Landlord Charter developed	September 2019	Head of Housing and Property	Medium term

Recommendations from the Property Asset Management Appraisal	CMIP reference	Key Milestone	By	Lead Officer(s)	Ranking
<u>Recommendations 13 & 14</u> i) Review options that will allow the Council to store its property information in fewer ICT systems. ii) The Council should develop baseline performance indicators to allow it to manage and monitor its property assets.	Section 4.1	Review of systems completed	December 2019	Acting Heads of Education and ICT & Heads of Housing and Property, Direct Services	Long term
		Baseline information in place	December 2019		Long term
<u>Recommendation 15</u> i) Council should combine the repairs and maintenance budgets for the school estate and corporate buildings. ii) A review of staff structures involving Property/Education should be completed transferring the duty for managing the property elements of the school estate to Property Services.	Section 1.1	Budget amalgamated and transferred to property	April 2019	Director of Education/Head of Housing and Property	Medium term
	Section 1.1	Review completed	December 2019		Long term

Recommendations from the Property Asset Management Appraisal	CMIP reference	Key Milestone	By	Lead Officer(s)	Ranking
<u>Recommendation 16</u> The Council should develop a framework that allows it to challenge and rationalise where appropriate the non-operational portfolio.	Section 1.1	Framework developed	May 2019	Head of Housing and Property	Medium Term
<u>Recommendation 17</u> The Council should consider whether it wishes to introduce criteria that capture “full life” costs when it is considering refurbishment projects.	Section 1.1	Issues and Options identified	July 2019	Heads of Housing Direct Services and Finance	Medium term
		Council decision taken on “full life” costs	October 2019		
<u>Recommendation 18</u> The Council should decide whether it wants to enhance the role of the Property Asset Management Working Group to improve its oversight and governance of “lower value” property projects.	Section 1.1	Future remit and role of the Property Asset Management Working Group determined	March 2019	Director of Corporate Services and Head of Housing and Property	Short term

Recommendations from the Property Asset Management Appraisal	CMIP reference	Key Milestone	By	Lead Officer(s)	Ranking
<u>Recommendation 19</u> The Council should decide whether it wants to change its current approach to Capital Planning.	N/A	Future approach to Capital Planning agreed.	March 2020	Corporate Management Team and Head of Financial Services	Long term
<u>Recommendation 20</u> The Council should ensure that the Procurement Team play an active and earlier role in property related projects.	N/A	Procedures developed to support this objective.	Sept 2019	Heads of Financial Services, Housing and Property & Direct Services	Medium term

APPENDIX I

Key:

Green = Buildings with a strategic importance that will need to be retained and maintained – no alternative options available

Blue = Investigate Social Work Offices to establish if DBS principals could be applied to reduce office space (fixed, flexible, home and mobile)

Yellow = Alternative options should be investigated/including relocating services, building closure and/or property disposal/CAT.

Red = Property is scheduled for demolition or disposal.

Corporate Buildings

OFFICES	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Council HQ, Elgin	Back Office functions	B	B	£168,743
HQ Annexe, Elgin	Customer Services (mixed services)	B	A	£0
Child Protection Unit	Child Protection (multi-agency)	A	A	£0
Ashgrove Campus, Elgin	Roads/Waste/Fleet/Stores/Servicing	See depots		
Keith Community Hub	Customer Services (mixed services)	B	B	£85,578
9 North Guildry Street, Elgin	Social Work	B	-	£0
11 North Guildry Street, Elgin	Social Work	B	-	£0
Rose Cottage, Elgin	Social Work	C	B	£100,564
Beechbrae Office, Elgin	Education/Special needs/SW	B	B	£210,159
10 Duffus Road, Elgin	Social Work – client contact	B	-	Survey required
240 High Street, Elgin	Registrars & Marriage Room	B	B	£44,165
17 High Street, Elgin	Business Gateway	B	A	£30,107
Auchernack, Forres	Customer Services (mixed services)	B	B	£119,555
Buckie Area Office	Customer Services (mixed services)	B	C	£135,950
Total Cost for bringing existing offices up to the required standard				£894,821
Ashgrove Building 1, Elgin	Roads/Waste	C	B	£261,822

Note: Ashgrove Building 1 is due to be demolished in 2019/20

DEPOTS	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
West Moray				
Ashgrove Depot, Elgin	Garaging, MOT, Salt store, Fleet office and stores	B	B	£571,751
Building Services, Mosstodloch	Main depot – West Moray	B	B	£238,067
Lossiemouth Depot	Grounds Maintenance garaging & welfare	C	B	£138,773
Dava Garage, Forres	Garaging	C	B	£23,063
Waterford Road, Forres	Grounds Maintenance/DLO & shared Fuel, Storage, welfare	C	C	£110,161
Brumley Brae Depot, Elgin	Garaging for Waste Collection & Disposal	C	B	£483,281
East Moray				
Building Services (DLO), Keith	Main depot – East Moray	C	B	£117,705
Bridge Street Depot, Keith	Roads & Grounds Maintenance & Waste	C	B	£395,473
Freuchny Depot, Buckie	Garaging/welfare for Roads & Waste	C	B	£150,439
March Road, Buckie	Garaging/welfare/storage for Grounds & Building Services	A	B	£38,850
Richmond Depot, Dufftown	Roads Maintenance, Salt & Fuel storage	C	B	£322,857
Auchinhove Depot, Keith	Salt Store	D	B	£76,111
Garage Workshop, Aberlour	Speyside Ranger	B	B	£3,479
Skateneuk Depot, Archiestown	Grounds Maintenance store	C	C	£38,368
Roads Depot, Tomintoul	Road Maintenance garaging & welfare	B	B	£8,852
Total to bring Depots up to the required standard				£2,717,230

Brumley Brae will be decommissioned as part of the Moycroft Project. This will reduce the repairs liability for depots down to **£2,233,949**.

INDUSTRIAL UNITS USED BY COUNCIL SERVICES	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
6 Chanonry Road, Elgin	Transportation Unit + Bus Depot	A	A	Survey required
6 Chanonry Spur, Elgin	Criminal Justice Service	B	B	£9,475
9 Chanonry Spur, Elgin	Learning Disability Service	B	B	£10,092
10 Chanonry Spur (Yard), Elgin	Learning Disability Service	No maintenance required		
9 West Road, Greshop, Forres	Local Heritage Store	B	B	£14,381
Unit P, Isla Bank	Closed Files/Records Store	B	A	£11,382
Unit 10, Tyock, Elgin	Building Services (DLO)	C		£46,857
4 Linkwood Lane, Elgin	Environmental Protection Store	B	B	£7,659
Pinefield Store	Moray Integrated Joint Board (adaptations store)	B	B	£18,838
Unit 8, Mosstodloch	Furniture store for Homeless (temporary accommodation)	B	B	£25,869
Unit 7, Coularbank, Lossiemouth	Waste Management	C	B	£75,870
Total to bring Industrial Estates up to the required standard				£220,423

Note: Unit 7, Coularbank will be decommissioned as part of the Moycroft Project. Maintenance work however will still be required prior to new lease

Community Assets

Community Property Assets include swimming pools/leisure, town halls, community centres, libraries, public toilets, pavilions and museums.

SWIMMING POOLS/LEISURE FACILITIES	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Keith Sports Centre (in school)	Community Use	B	A	Refer to Keith community centre.
Forres Swimming Pool	Community Use	B	A	£0
Buckie Leisure Centre	Community Use	B	A	£201,789
Speyside Swimming Pool (in school)	Community Use	C	B	See Speyside High School
Moray Leisure Centre *	Community Use	B	B	£642,667
Total cost to bring swimming/leisure facilities up to the required standard				£844,456

Note: A new swimming pool will be included within the new Lossiemouth High School so is not taken into account in terms of existing maintenance costs

TOWN HALLS	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Fleming Hall, Aberlour	Community Use	B	B	£43,678
Town Hall, Lossiemouth	Community Use	B	B	£48,688
Newmill Institute, Keith	Community Use	B	B	£45,698
Town Hall, Cullen	Community Use	B	B	£361,548
Town Hall, Elgin	Community Use	B	B	£19,638
Town Hall, Findochty	Community Use	B	B	£97,758
Fisherman's Hall, Buckie	Community Use	B	B	£105,488
Longmore Hall, Keith	Community Use	B	B	£154,071
Town Hall, Forres	Community Use	C	B	£162,313
Town House (registrars), Buckie includes Library	Community Use	C	B	£124,323
Total cost to bring Town Halls up to the required standard				£1,163,203

Note:

1. Aberlour Community Association has a lease for Fleming Hall to 31 March 2026. They have a rental concession of £12k per year. The Council is responsible for all repairs excluding internal decoration. Both parties can terminate the lease of 5th, 10th, 15th and 20th anniversaries so the next opportunity to end the lease would not arise until 2021.
2. Lossiemouth TH Management Committee has a management agreement to 31 March 2026 for their town hall. No rent is payable. The Council is responsible for all repairs excluding internal decoration. To terminate the lease the Council would need to give notice (12 months) and only where the estimated cost of the repairs and maintenance is deemed prohibitively expensive. It might be sensible however to discuss whether the Committee is able to take on the repairs obligations as a starting point.
3. Newmill VH Management Committee has a lease to 31 October 2021 at £1 per annum. The Council is responsible for all repairs and maintenance excluding internal decoration. The lease does not contain any clause allowing for early termination by any parties.
4. The Council has already agreed a policy relating to the future of Town Halls as part of the budget setting process for 2018/19.

COMMUNITY CENTRES	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Buckie Community Centre (High School)	Community Use	B	A	See Buckie High costs
Lady Cathcart Centre, Buckie	Community Use	B	B	£105,742
Cullen Community Centre, Public Library, Nursery and Garage	Community Use	C	B	£427,656
Portgordon Community Centre	Community Use	C	B	£376,774
Dufftown Community Centre	Community Use	C	A	£152,730
Forres House & Public Library	Community Use	C	B	£846,706
Keith Community Centre	Community Use	B	B	£192,529
Elgin Community Centre	Community Use	B	B	£142,411
Total cost to bring Community Centres up to the required standard				£2,244,548

LIBRARIES	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Aberlour Library	Community Use	C	A	£13,589
Lossiemouth Library	Community Use	B	B	£14,157
Elgin Library	Community Use	B	A	£135,683
Heritage Centre at Elgin Library+	Community Use	B	A	See Elgin Library
Dufftown Library	Community Use	B	A	£4,028
Keith Library	Community Use	B	B	£24,344
Library (Milnes High) Fochabers *	Community Use	A	A	£25,921
Library at Buckie Town House	Community Use	C	B	See Buckie Town House
Library at Cullen C/Centre	Community Use	C	B	See Cullen Community Centre
Library at Forres C/Centre	Community Use	C	A	See Forres House CC
Library at Tomintoul Primary	Community Use	C	A	See Tomintoul Primary
Library at Burghead Primary*	Community Use	C	B	See Burghead Primary
Total costs to bring Libraries that are not co-located in other buildings up to the required standard				£217,722

TOILETS	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Alice Littler Park Public Toilet	Community Use	B	B	£7,665
Burghead Public Toilet	Community Use	B	B	£132
Cluny Harbour Public Toilet	Community Use	B	B	£3,302
Cooper Park Public Toilet	Community Use	B	A	£10,970
Cullen Harbour Office	Community Use	B	B	£2,491
Cullen Square Public Toilet	Community Use	B	B	£3,445
Cummingston Portaloos	Community Use	B	B	£563
Dufftown Public Toilet	Community Use	B	A	£5,934
Esplanade Public Toilet	Community Use	B	B	£0
Fiddochside Public Toilet	Community Use	B	B	£9,555
Findhorn Beach (Mid) Toilet	Community Use	B	B	£6,008
Findhorn Beach (West) Toilet	Community Use	B	A	£10,189
Findochty Public Toilet	Community Use	B	B	£1,827
Mid Street Public Toilet	Community Use	B	C	£3,611
Forres Public Toilet	Community Use	B	B	£10,495
Garmouth Portaloo	Community Use	B	B	£1,167
Grant Park Public Toilet	Community Use	B	B	£7,283
Hopeman Harbour Public Toilet	Community Use	B	B	£25,607
Hopeman Portaloos	Community Use	B	B	£9,392
Links Public Toilet	Community Use	B	B	£4,614
Regent Square Public Toilet	Community Use	B	B	£5,807
Reidhaven Square Public Toilet	Community Use	B	C	£8,747
Newlands Lane Public Toilet	Community Use	B	B	£6,149
PC & PH, Ballindalloch	Community Use	B	B	£480
Rothies Public Convenience	Community Use	A	A	£0
St Rufus Park Public Toilet in Pavilion	Community Use	-	C	See St Rufus Pavilion
Fochabers Public Toilet in Pavilion	Community Use	-	C	See Forres Pavilion
Station Park Public Toilet	Community Use	B	B	£15,681
Strathlene Public Toilet	Community Use	B	B	£5,208
Tomintoul Public Toilet	Community Use	B	A	£1,297
Town House Public Toilet	Community Use	B	B	£1,559
Victoria Road Public Toilet	Community Use	B	B	£23,316
Total cost to bring the public toilets up to the required standard				£192,494

PAVILIONS	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Grant Park Pavilion, Forres	Community Use	B	B	See Grant Park toilets
Bowling Pavilion, Forres	Community Use	A	A	£0
Changing Pavilion, Forres	Community Use	B	B	£24,326
Sports Pavilion, Fochabers	Community Use	B	B	£11,582
Cooper Park, Bowling Pavilion, Elgin	Community Use	-	B	£26,916
Coulardbank Pavilion, Lossiemouth	Community Use	B	B	£2,929
Station Park, Lossiemouth	Community Use	B	A	£15,763
Linzee Gordon Pavilion, Buckie	Community Use	B	B	£5,561
Logie Pavilion, Cullen	Community Use	B	B	£12,560
Roths Pavilion, Roths	Community Use	C	B	£4,857
Roysvale Pavilion, Forres	Community Use	B	B	£14,741
St Rufus Park Pavilion, Keith	Community Use	B	B	£14,634
Fife Park Pavilion, Keith	Community Use	C	B	£27,162
Seafeld Pavilion, Keith	Community Use	B	B	£5,537
Thornhill Pavilion, Elgin	Community Use	-	A	Survey Required
Pinefield Pavilions A&B, Elgin	Community Use	C	B	£112,539
Doocot Pavilion, Elgin	Community Use	B	B	£26,000
Cooper Park Cricket Pavilion, Elgin	Community Use	B	B	£22,550
Total cost to bring the pavilions up to the required standard				£327,657

Notes:

Aberlour Alice Littler Park and the toilets in Craigellachie are operated by the Community

If the Council wished to maintain some toilet provision in some areas, a toilet scheme involving local businesses could be considered

MUSEUMS	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Museum Lab & Store	Community Use	B	-	£40,242
Falconer Museum	Community Use	B	A	£195,063
Total to bring the Museums up to the required standard				£235,305

A review of Museum Services is currently being completed by the Head of Development Services

SPECIALIST PROVISION - DAY CENTRES	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Phoenix Centre	Community Services/Adult mental health day services	C	A	£72,075
Moray Resource Centre, Elgin	Adults with physical/sensory disabilities	B	B	£55,737
Linnburn Day Centre, Rothes	Older People Day Services	B	A	£30,484
Artiquins Day Centre, Elgin	Services for adults with Learning Disabilities	B	B	£21,637
Burnie Day Centre, Buckie	Adults with Learning Disabilities	B	A	£34,969
Cedarwood Training Centre	Day Service for Adult with learning disabilities	B	B	£42,474
Towerview, Forres	Adult Learning Disability Day Service	C	A	£20,319
Total to bring the Day Centres up to the required standard				£277,695

SPECIALIST PROVISION - RESPITE ACCOMMODATION	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Birchview, Elgin	Adult Respite Accommodation	C	B	£26,224
Total cost to bring respite accommodation up to the required standard				£26,224

SPECIALIST PROVISION FOR HOMELESS HOUSEHOLDS	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Cameron Parkbrae, Elgin	Temporary Accommodation & Out of Hours Telephone Service	C	B	£127,763
30 Quarryhill Keith	Temporary Accommodation	B	C	£60,746
Total required to bring these properties up to the required standard				£188,509

RECYCLING CENTRES	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Gollachy Centre, Buckie	Waste Management	B	A	£8,583
Moycroft Centre, Elgin	Waste Management	B	A	£34,629
Waterford Centre, Forres	Waste Management	B	B	£3,769
Total to bring recycling centres up to the required standard				£46,981

HARBOURS	Core Function	Current Status		Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	
Buckie Harbour Office	To support offshore windfarms	D	B	£65,717
Buckie Fish Market	In part to support offshore windfarms	B	-	£91,620
Burghead Harbour Office	None	B	B	£0
Portknockie Harbour Store	None	C	B	£50,509
Findochty Harbour	None	-	-	Not a Property Asset
Cullen Harbour	None	-	-	Not a Property Asset
Total cost to bring the harbour offices up to the required standard				£207,846

Note: The Grampian Regional Council (Harbours) Order Confirmation Act 1987 states that owners of harbours would need to put an order before Parliament before they can dispose of such assets. The owner would need to show that the harbour can break even and a buyer would also need to be found.

SCHOOL ESTATE

APPENDIX II

Energy Rating

Rating	Outcome	School Numbers
A	Excellent	17
B	Reasonable	4
C	Poor	16
D	Very Poor	14

The purpose of providing energy ratings is to highlight the current variations in terms of energy efficiency within the School Estate. Improving Energy Efficiency (C & D categories) across the Estate would in itself generate savings.

“Other issues” relate to additional works not included within the projected maintenance costs required to bring these schools up to B/B standard. Fire safety measures are required to improve fire safety in the building while Drainage relates to schools where remedial works will be required to improve drainage and prevent potential flooding.

BUCKIE ASG	SCHOOL STATUS	Current Status					Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	Energy Rating	ASN Provision	Other issues	
Buckie High School	Secondary School	B	C	A	Purpose built	Drainage	£16,212,965
Millbank Primary	Primary School	B	B	A	Purpose built	Drainage	Modernised
Cluny Primary	Primary School	C	B	A	-	-	£3,884,552
St Peters Primary	Primary School	C	B	B	-	Fire Safety	£2,011,704
Cullen Primary	Primary School	C	B	C	-	Fire Safety	£2,218,317
Portgordon Primary	Primary School	C	B	A	-	-	£1,699,141
Portessie Primary	Primary School	C	B	C	-	-	£1,282,904
Findochty Primary	Primary School	C	B	A	-	-	£1,608,749
Portknockie Primary	Primary School	C	B	A	-	-	£1,912,909

Buckie High - The full replacement of a number of schools in Moray would be the obvious preferred option but for the Council's current financial situation. This is one of a number of considerations that should be reflected in the School Estate Strategy which it is recommended be prepared. Any new build will commit the Council to a payback arrangement for a period of years depending on the type of building contract agreed (refer to page 9); In reaching such a decision, regard needs to be taken as to the amount of investment that Buckie High has received in recent years and its current condition. The school is currently assessed as "B condition" meaning that there are other schools in Moray with a worse condition rating. Again, the impact of a Moray wide assessment of prioritisation would be an integral consideration in the strategy recommended. Money spend on the High School in recent years include:

- Boiler replaced approximately 9 years ago at a cost of approximately £300k;
- An extension was added approximately 4/5 years ago at a cost of £1.9m;
- A full lighting replacement – last phase completed in 2015 at a cost of £519k;
- Locality Team Base £135k;
- A soft play area £7.5k;
- Toilet upgrades £95k;
- Safe roof access £30k;and
- Upgrade LEV (dust extractor) - £30k

Cluny Primary is scheduled for £1.5m worth of improvements which commenced this year. This school will be part of any decision to replace Buckie High School.

MILNES HIGH ASG	SCHOOL STATUS	Current Status					Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	Energy Rating	ASN Provision	Other issues	
Milnes High School	Secondary School	C	B	C	Purpose built	Fire Safety	£13,354,942
Lhanbryde Primary	Primary School	B	B	C	Purpose built	-	£1,397,749
Mosstodloch Primary	Primary School	C	B	C	-	Fire Safety	£2,612,309
Milnes Primary	Primary School	C	B	D	-	Fire Safety	£3,823,481

Note:

There is new build nursery provision currently being built on the Milne's primary school site at a cost of £2.4m (capacity 40 places).
There is overprovision in all schools within the Milnes ASG.

KEITH HIGH ASG	SCHOOL STATUS	Current Status					Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	Energy Rating	ASN Provision	Other issues	
Keith Grammar School	Secondary School	C	C	D	Purpose built	-	£12,602,117
Keith Primary	Primary School	A	A	C	Purpose built	-	PPP will cover costs
St Thomas Primary	Primary School	C	B	C	-	Fire safety	£1,569,327
Newmill Primary	Primary School	B	B	B	-	Fire safety	£646,416
Rothiemay Primary	Primary School	B	B	A	-	Fire safety	£691,813
Botriphinnie Primary	Primary School	B	B	D	-	-	£209,486
Crossroads Primary	Primary School	C	B	C	-	-	£354,696

SPEYSIDE HIGH ASG	SCHOOL STATUS	Current Status					Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	Energy Rating	ASN Provision	Other issues	
Speyside High School	Secondary School	C	B	D	Purpose built	-	£12,903,432
Craigellachie Primary	Primary School	B	B	D	-	Fire Safety	£239,222
Rothies Primary	Primary School	B	B	C	-	-	£929,886
Aberlour Primary	Primary School	B	B	C	Purpose built	-	£925,520
Glenlivet Primary	Primary School	C	B	D	-	-	£796,717
Knockando Primary	Primary School	C	B	C	-	-	£1,266,428
Mortlach Primary	Primary School	C	B	D	-	-	£2,756,566
Tomintoul Primary	Primary School	C	B	C	-	-	£947,546
Inveravon Primary	Primary School	Currently mothballed					

LOSSIEMOUTH HIGH ASG	SCHOOL STATUS	Current Status					Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	Energy Rating	ASN Provision	Other issues	
Lossiemouth High School	Secondary School	-	-	-	Purpose built	-	New School to be built
St Gerardines	Primary School	B	A	A	-	Drainage	Modernised
Hythehill	Primary School	C	B	A	Purpose built	-	£4,536,080
Hopeman	Primary School	B	B	D	-	Fire Safety	£918,051
Burghead	Primary School	C	C	A	-	-	£2,278,812

ELGIN ACADEMY ASG	SCHOOL STATUS	Current Status					Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	Energy Rating	ASN Provision	Other issues	
Elgin Academy	Secondary School	A	A	B	Purpose built	New school	PPP will cover costs
Bishopmill	Primary School	C	B	D	-	Fire Safety	£2,206,769
East End	Primary School	C	B	B	-	Drainage	£4,788,917
Seafield	Primary School	B	B	A	Purpose built	Drainage	Modernised
St Sylvesters	Primary School	B	C	C	-	Fire Safety	£1,174,738
West End	Primary School	C	B	C	-	Drainage	£2,449,438

ELGIN HIGH ASG	SCHOOL STATUS	Current Status					Maintenance costs towards achieving/maintaining B/B standard £000
		Condition	Suitability	Energy Rating	ASN Provision	Other issues	
Elgin High	Secondary School	A	A	A	Purpose built	New school	PPP will cover costs
Greenwards	Primary School	B	B	C	Purpose built	-	£1,228,281
Mosstowie	Primary School	B	B	A	-	Fire Safety	£551,175
New Elgin	Primary School	C	B	D	-	Fire Safety	£3,072,311
Linkwood Primary *	Primary School	-	-	-	-	-	New School to be built

Forres Academy ASG	SCHOOL STATUS	Current Status					Maintenance costs towards achieving/maintaining B/B standard
		Condition	Suitability	Energy Rating	ASN Provision	Other issues	
Forres Academy	Secondary School	C	B	A	Purpose Built	Drainage	£19,515,535
Andersons	Primary School	C	B	A	-	Drainage	£3,492,156
Alves	Primary School	C	B	C	-	Fire Safety	£716,631
Applegrove	Primary School	B	B	A	Purpose Built	Drainage	Modernised
Pilmuir	Primary School	C	B	D	-	-	£1,611,128
Dallas	Primary School	B	B	D	-	-	£130,067
Dyke	Primary School	C	B	D	-	Fire Safety	£1,435,331
Kinloss	Primary School	B	B	A	-	-	£1,682,711
Logie	Primary School	C	B	D	-	Drainage & Fire Safety	£1,031,542

SCHOOL ESTATE - EXECUTIVE SUMMARY

- 1. The Council is not in a financial position to maintain and retain all of its property assets. The school estate is the worst in terms of its condition when compared to all 32 local authorities in Scotland;**
- 2. The condition of the School Estate is the most challenging and “hidden” financial issue facing the Council at this time;**
- 3. The Council will struggle to deliver core services and balance future budgets in a meaningful and strategic manner if it fails to tackle the issues relating to the School Estate;**
- 4. Make Do and Mend has produced savings short term but this is not sustainable. This approach will only increase the cost of maintenance in future years;**
- 5. At 1 May 2018, £142million is required to bring the school estate up to BB standard (Secondary £75m and Primary £67m);**

6. **The absence of a school estate strategy means that the prioritisation of schools for replacement/refurbishment remains subjective and does not consider future housing developments, population change, population shift and the need for new schools in certain local areas;**
7. **Prioritisation of the school maintenance programme would assist in delivering targeted spend and reduce “wasted” expenditure on schools that could be targeted for replacement, refurbishment or rationalisation; and**

Example:

Based on current repair cost estimates, Forres Academy requires £20m to bring it up to BB standard. If funding from Scottish Futures Trust were to become available, this school could be the next targeted for replacement. At this time, the school is part of a 10 year maintenance programme which could see £8m + invested. Other schools across Moray are not receiving the same level of investment and in some cases there are schools where no investment is being made. If during the maintenance programme, Forres Academy is prioritised for replacement, all expenditure spent on that school to date will have been wasted and the condition of other schools will continue to deteriorate. If there was certainty around the future of school estate, the Council could target it's spend more strategically and reduce wasted expenditure on schools earmarked for replacement, refurbishment and/or rationalisation.

8. **Any new investment for any of the school estate from Scottish Futures Trust will only attract funding if the Council has an agreed Property Asset Management Strategy in place which considers the needs of all public bodies (NHS, Police, Fire, etc.). The SFT vision is for public services to work together and to share resources where possible to generate greater savings across the public sector. Shared buildings/HUBs are being viewed as the route for future funding and the school estate strategy must take account of this and build a framework around this concept in terms of any new build schools and/or any other public buildings.**