



**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES
COMMITTEE ON 9 MARCH 2022**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES AND
EDUCATION CAPITAL BUDGET MONITORING REPORT 31
DECEMBER 2021**

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

1. REASON FOR REPORT

- 1.1 This report is to inform Committee of projects and proposed expenditure for Capital Budgets within Education, Children's and Leisure Services for 2021/2022 and seek approval for the proposed programme of Schools BB projects for financial year 2022/23.
- 1.2 This report is submitted to Committee in terms of Section III (A) (2) of the Council's Scheme of Administration relating to the consideration of Capital and Revenue Budgets and long term financial plans.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- i) scrutinises and notes the contents of the report; and**
- ii) approves the proposed programme of projects for financial year 2022/23 under the Schools BB budget heading detailed in APPENDIX II.**

3. BACKGROUND

- 3.1 It is the practice of this Committee to receive regular reports both providing an update on the current financial position of the capital programme and seeking approval to implement projects when they arrive at a suitable point of development.
- 3.2 At the meeting of the Moray Council on 3 March 2021 (paragraph 2 of the minute refers) Council approved the Capital Plan for 2021/22.

- 3.3 The capital budgets covered in this report and a list of the major projects from this financial year are contained within the Education Resources and Communities and Education Capital Plan under **APPENDIX I**.

4. BUDGET FOR 2021/22

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

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

- 4.2 Actual expenditure up to 31 December 2021 is £7.019m.

5. MAJOR PROJECTS

Schools Essential Maintenance Programme 2021/22

- 5.1 The total budget for this programme of work is £4.655m which is made up of a carry forward of £1.655m from last year and £3m from 2021/22 Capital Plan. This programme of work is a single line within the Capital Plan. However, the programme has been split into separate budgets for each individual project as detailed in **APPENDIX I** for budget monitoring purposes. The majority of this work programme is the phased work begun under the Make Do and Mend criteria, which was to address elements of schools in Condition D that have the possibility of failing. The scope of each of the projects is developed in consultation with the school and the contractor. The reactive nature of this programme does mean that individual project budgets do vary during the year of the programme.
- 5.2 Work to upgrade the mechanical and electrical systems at Speyside High School, Cluny Primary School, Forres Academy, New Elgin Primary School, and Anderson Primary school was completed during the school summer holidays.
- 5.3 Work to replace the heating system at Burghead Primary School was unable to progress while discussions were ongoing with a local distillery to establish if waste heat from the facility could be used at the school. To allow the pipework replacement to begin the heat source needed to be known because the lower temperature of the waste heat directly affects radiator sizes. Those discussions were concluded in October 2021 and the heating option appraisal has now been updated. The delay while negotiations were concluded is the main reason for the overall underspend on the B-B programme of work.
- 5.4 Work to upgrade the drainage systems at Andersons Primary School, Forres Academy and Applegrove Primary School was completed during the school summer holidays.

5.5 Work to replace defective render with a new insulated render system at Hythehill Primary School has begun on site and is programmed to complete on 25 March 2022. Work has been delayed on site because of adverse weather conditions and the availability of skilled workforce. A projected overspend of £323k has been a result of unforeseen work which resulted in a re-measurement of the insulation. Unforeseen work included the condition of the light fittings and fixings which when removed could not be reattached to the new wall surface. There were considerable areas on the three-storey block which were out of level that needed additional work to square off the surfaces. An out building was damaged by fire in a bin area. A re-measurement of two of the elevations required additional insulation material to be added to the contract value. The revised completion date for the project is now 25 March 2022.

Schools Essential Maintenance Programme 2022/23

5.6 A programme of planned works for the Learning Estate has been developed for 2022/23. The programme will consist of a continuation of current phased works carried out during school holiday periods and works on building elements that are in condition D and at the end of their life.

5.7 During the 2021/22 year there have been pipework failures at the following schools where temporary emergency repairs have been carried out to prevent prolonged school closures:

- Kinloss Primary School- pipework failure
- West End Primary School- pipework failure
- Forres Academy- pipework corrosion

Approval by Committee is sought to include phased pipework and heat source replacements at these schools for the 2022/23 programme.

5.8 At Forres Academy corrosion of a mains water pipe within the building has recently been identified which is considered an immediate risk, therefore assessments are being carried out to ascertain if repair work can be carried out ahead of the school holiday period. Approval by Committee is sought to include phased pipework and heat source replacements at these schools for the 2022/23 programme.

5.9 The Maintenance Team have assessed Mosstodloch Primary School Roof as beyond economic repair and approval is sought to include design work for the replacement roof within the 2022/23 programme.

5.10 The next identified drainage improvement projects are at the following Primary Schools:

- Millbank Primary School
- East End Primary School
- Seafeld Primary School

Approval by Committee is sought to include drainage works at these schools to the 2022/23 programme.

6. NEW BUILD (SCHOOLS)

Lossiemouth High Replacement Project

- 6.1 Demolition of the old school and leisure building has been completed. Work is ongoing to complete the artificial pitch and new pedestrian access footpath. The project is on programme to complete on 21 March 2022.
- 6.2 Lossiemouth Community Council have been in communication with officers to raise concerns regarding the remoteness of the public car park to the entrance of the Community facilities. They have received reports from the community that users are choosing to use facilities in Elgin where they have felt the walk to the entrance is too great. The approved design of the facility has the car parking in the current location to avoid the additional remediation and cost of locating the parking closer to the building where poor ground conditions are present. The Service have reported problems with members of the public not using the disabled access road, parking spaces and pedestrian plaza in accordance with the design intention.
- 6.3 Officers propose to monitor usage of the car parking and access arrangements once the new pedestrian access footpath has been completed and in use. Should there be any evidence that the parking location is detrimental to the usage of the facility then any straightforward mitigation measures will be implemented, however should any technical studies be required additional budget would need to be approved.
- 6.4 COVID-19 costs have been agreed with the contractor and submitted to the Scottish Government as indicated in previous Reports to this Committee. The Scottish Government have acknowledged receipt of our documentation and have confirmed they are currently reviewing the claim.

Linkwood Primary School

- 6.5 COVID-19 costs have been agreed with the contractor and submitted to the Scottish Government as indicated in previous reports to this Committee. The Scottish Government have acknowledged receipt of our documentation and have confirmed they are currently reviewing the claim.
- 6.6 The Scottish Government are not funding the project, but have been provided with the agreed COVID-19 costs to determine if they will contribute to the costs.

Findrassie Primary School

- 6.7 Stakeholder consultation on the project within the Elgin Academy ASG has completed. Consultations with both educational and community users has been ongoing and is expected to conclude during February 2022. Procurement options are currently being evaluated with the Scottish Procurement Alliance and Hubco North. The time required to recruit the Project Manager (Learning Estate) and arrange the consultation process has delayed expenditure on professional fees during 2021/22.

7. EARLY LEARNING CHILDCARE EXPANSION

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

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

Aberlour Primary School Nursery

7.2 Planning and Listed Building Consent has been approved to carry out a full refurbishment and extension to the existing nursery. Temporary decant accommodation has been manufactured for both the school and private nursery. The intention was that the school nursery be decanted to accommodation on the primary school site and the private nursery to a site adjacent to Speyside High School. Meetings have been held with the Head Teachers at Speyside High School and Aberlour Primary school and further options for the location of the temporary units are being considered. The programme of work at Aberlour has been paused in order to carry out option appraisals at each school which will then be considered by the ELC Project Board before being reported to this Committee.

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

8. LEISURE AND LIBRARIES

Gladstone (Leisure Management System) Integration Project

8.1 This project remains at final sign off stage, with a single outstanding task relating to the approval of financial reconciliation reports by both Moray Council and Moray Leisure Centre. This has not progressed due to system issues on the supplier side. This has been escalated to Gladstone senior management with a resolution date of no later than end March 2022.

8.2 Underwater Swimming Pool Camera Replacements

Pool camera replacements to be completed by end of February 2022. Buckie and Forres pools completed, Keith outstanding but due to complete within target.

9. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)).

This report supports the Council's corporate working principles of efficiency, effectiveness and economy.

(b) Policy and Legal

Future programmes of work funded from the Capital Programme will require policy decisions to help inform how schools' projects will be prioritised and in the case of refurbishments, to what standard.

(c) Financial Implications

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

(d) Risk Implications

The school estate (excluding new build) continues to deteriorate. The level of investment that the Council is able to afford is insufficient to maintain all schools to B/B standard. The risk of building failures, temporary closures and/or health and safety risks continue to be a concern. The programming of work within schools is subject to change as government guidance is issued in relation to COVID-19 restrictions. The latest construction sector guidance is indicating that manufacturing lead in times and costs for building products are increasing rapidly due to the effects of COVID restrictions and Brexit. This will in turn impact tender prices received for construction projects, therefore additional budget may be required for projects after they return from tender or projects postponed.

(e) Staffing Implications

There are no staffing implications associated with this report.

(f) Property

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

(g) Equalities/Socio Economic Impact

There are no equalities or socio economic implications associated with this report.

(h) Climate Change and Biodiversity Impacts

Where heat source replacements are planned a Heating Option Appraisal in accordance with current procedures will be carried out that includes renewable heating options. Where wall or roof replacements are programmed additional insulation to improve the performance of the fabric will be considered.

(i) Consultations

Consultations have been undertaken with Paul Connor, Principal Accountant; the Property Asset Manager; the Design and Construction Manager; the Legal Services Manager; the PPR and Communications Officer; Equal Opportunities Officer; Head of Education Resources and Communities, Head of Education and Tracey Sutherland, Committee Services Officer. Where comments have been received, these have been included within the report.

10. CONCLUSION

10.1 This report presents the Education Capital Works budget to 31 December 2021. It clarifies the status of a number of capital projects and the financial implications associated with each of them where appropriate. This report also seeks approval for the proposed programme of Schools BB projects for the financial year 2022/23.

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