



---

**REPORT TO: CHILDREN AND YOUNG PEOPLE'S SERVICES COMMITTEE ON  
13 FEBRUARY 2019**

**SUBJECT: EDUCATION AND SOCIAL CARE CAPITAL BUDGETS 2018/19  
TO 31 DECEMBER 2018**

**BY: ACTING CORPORATE DIRECTOR (EDUCATION AND SOCIAL  
CARE)**

**1. REASON FOR REPORT**

- 1.1 The purpose of this report is to inform Committee of projects and proposed expenditure for Capital Budgets within Education and Social Care for 2018/19.
- 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 Committee scrutinises and notes the contents of the report.**

**3. BACKGROUND**

- 3.1 It is the practice of this Committee to receive regular reports both providing an update on the current financial position of the capital programme and seeking approval to implement projects when they arrive at a suitable point of development.
- 3.2 At the Meeting of the Moray Council on 14 February 2018 (para 10) (vi) of the minute refers) Council approved the Capital Plan for 2018/19.
- 3.3 The capital budgets covered in this report are those contained within the Education and Social Care Capital Plan at **Appendix 1**.

**4. BUDGET DETAIL**

- 4.1 The total approved Capital Budget for Education and Social Care for financial year 2018/19 is as follows:-

	<b>18/19 £000</b>
Land & Buildings	17,908
Vehicles, Plant & Equipment	550
<b>Totals</b>	<b>18,458</b>

- 4.2 **Appendix 1** lists the major projects for this financial year.
- 4.3 Actual expenditure up to 31 December 2018 is £8,329,000.
- 4.4 Major Project Updates: Individual updates on the major projects are as follows:
- 4.5 Schools Essential Maintenance Programme (Make do and Mend):  
The council has a significant number of building elements in their schools which are in a condition D, life expired state. A programme of replacement of these elements to schools has been developed on the basis of the available budget. New boiler replacements at New Elgin Primary School and Cluny Primary School were completed in October 2018. The completion of the Mechanical and Electrical works will be phased over a number of years during holiday periods. Roof replacement work at New Elgin Primary School began during the school holidays and completed in December 2018. Stonework repairs to Andersons Primary School began in November 2018. During the initial works it was discovered that an external wall had become seriously undermined due to a failed section of underground drainage. A solution to stabilise the wall is currently being developed. Investigations into known drainage problems to 6 schools are to be carried out this year in order to incorporate these elements of work into future programmes. Recent refurbishment projects are discovering significant drainage issues at schools and it is likely that this is a wider issue across the school estate.
- 4.6 Elgin High School Replacement Project:  
The main school and sports blocks were handed over on 13 October 2017 and are fully operational. The 3G pitch, car parking and landscaping were completed and handed over on 13 July 2018 and are fully operational. The School was officially opened by the Deputy First Minister of Scotland and Cabinet Secretary for Education and Skills, John Swinney MSP on 22 October 2018. Phase 1 is now out of Defects.
- 4.7 Milne's Primary: Replacement of Hutted Accommodation and Enhancement of Pre-School Provision (now known as Early Learning and Childcare (ELC)):  
The project is in the final phase with just some tree planting to be undertaken in the New Year to complete the landscaping. Further works to reduce the height of the water tanks are required. It is anticipated these will commence in the first quarter of 2019.

#### 4.8 Lossiemouth High Replacement Project:

As previously reported to committee, the guaranteed maximum price was agreed as £42.3m with Scottish Futures Trust Contributing £26.39m with the Councils committed funding of £15.9m. The early works commenced at the beginning of October 2018 and was an 8 week package. Due to these works being completed early the Council agreed to bring forward some elements of the main works.

The main contract was signed on 17 December 2018 at a final price of £41.819m, with the delay from the original date of 7 December 2018 due to the main contractors bond not being in place and hub North's refusal to complete the contract until the bond was signed by both the surety and Balfour Beatty.

This delay has not prevented the works from progressing, as such hub North and Balfour Beatty have been working at their own risk since 7 December 2018 to maintain the programme of works. The project is still on target for completion by August 2020.

#### 4.9 Linkwood Primary School:

As has been previously reported to Committee, a significant risk for this project is that delivery of the school is reliant upon progress of the wider Elgin South Development. The Section 75 (planning agreement) has been signed and has now been registered. Planning consent was granted for Linkwood Primary school.

At the special meeting of Full Council of the 18 December 2018 the Linkwood Primary School project was approved to the value of £12,810,000. Construction is anticipated to commence in February 2019 with the school being completed on 19 June 2020.

Remaining outstanding elements are that confirmation is awaited from the planning officer that planning conditions have been satisfactorily discharged and confirmation that documentation has been signed transferring the school site to Moray Council. These are anticipated to be received shortly.

On 24 December 2018 notification was received that the mechanical and electrical contractor appointed to the project had gone into administration. HubNorth and Balfour Beatty are in negotiation with other contractors and are very aware that no additional funding is available. This circumstance however, has the potential to impact on the cost and time frame of the project. Members will be kept updated on progress.

#### 4.10 Moray Leisure Centre Financial Recovery Plan

The recovery plan for Moray Leisure Centre comprises 3 elements and includes 2 critical dates. The 3 elements are: integration of Moray Leisure Centre within the Council's Fit Life Scheme in October 2018, replacement of the centres aging fitness equipment and refurbishment of the fitness suite opening March/April 2019.

Progress on the elements and dates are as follows:

- Integration with Fit Life Scheme: The launch of the first phase of the integrated scheme commenced from 9 October with integrated use of facilities being available from 22 October. On the first day of the launch over 150 primary memberships were sold at Moray leisure Centre. At the time of writing this report the total has risen to almost 1,750 primary memberships. Full integration with Fit Life involving integrated databases and systems will come at a later date.
- Replacement of fitness equipment: A specification has been prepared for the equipment, layout and associated training. The successful tenderer has been appointed and is Precor.
- Refurbishment of the Fitness Suite: A detailed layout to remove and re-provision changing accommodation to allow the creation of a single fitness area has been tendered and is due to start on site in January 2019 with a completion date at the end of March 2019.

#### 4.11 Childcare expansion

Work to refurbish the Lady Cathcart building in Buckie to form nursery facilities completed in August 2018 to allow the facility to open with a new intake of pupils. Following the announcement of the funding award by the Scottish Government further upgrading work to the building will be undertaken over the next 6 months.

Planning Permission has been granted for new nurseries at Cullen and Pilmuir Primary Schools with a programmed start on site in February 2019. Detailed proposals are being drawn up for the refurbishment of the nursery at Lhanbryde Primary School with work planned during the summer holidays 2019. Survey work is to begin at Burghead and New Elgin Primaries to scope out the planned works for 2019.

## 5. **SUMMARY OF IMPLICATIONS**

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

This report supports the Council's corporate working principles of efficiency, effectiveness and economy and the Education and Social Care Department's objective of providing effective, efficient and sustainable premises.

### (b) **Policy and Legal**

There are no policy implications arising directly from this report.

### (c) **Financial Implications**

The approved capital budget for 2018/19 is £18,458,000 of which £8,329,000 has been expended as at 31 December 2018. Early indications are that the total annual expenditure will be £14,476,000.

### (d) **Risk Implications**

The major highlighted risks are:

Linkwood primary School project:

That further negotiations may be required on price and programme following the announcement that the appointed mechanical and electrical contractor has gone into administration. Both HubNorth and Balfour Beatty are well aware of the financial and time restrictions and are in discussion with alternative contractors.

The Scottish Government timescale for the implementation of the Early Years expansion programme has required that the largest value projects are committed early in the programme before all the works across all the nurseries are scoped out. This carries the risk that a substantial part of the budget is committed in the first year of the programme and gives less flexibility to adjust the budget for the refurbishment projects planned in 2019/20.

**(e) Staffing Implications**

There are no staffing implications associated with this report.

**(f) Property**

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

**(g) Equalities/Socio Economic Impact**

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

**(h) Consultations**

Consultations have been undertaken with Paul Connor, Principal Accountant; the Property Resources Manager; the Design Manager; Margaret Forrest, Legal Services Manager; the PPR and Communications Officer, the Corporate Parenting and Commissioning Manager; Equal Opportunities Officer; the Head of Development Services, Education and Social Care Senior Management Team and Tracey Sutherland, Committee Services Officer. Where comments have been received, these have been included within the report.

**6. CONCLUSION**

**6.1 That Committee notes the programme of Capital Works proposed for Education and Social Care for 2018/19 and the associated budgetary positions.**

Author of Report: Nick Goodchild, Educational Resources Manager

Background Papers:

Ref: Education and Social Care Capital Budgets 2018/19