



**REPORT TO: CHILDREN AND YOUNG PEOPLE'S SERVICES COMMITTEE ON
26 SEPTEMBER 2018**

SUBJECT: EDUCATION AND SOCIAL CARE CAPITAL BUDGETS 2018/19

**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:-

	17/18 £000
Land & Buildings	34,680
Vehicles, Plant & Equipment	550
Totals	35,230

- 4.2 **Appendix 1** lists the major projects for this financial year.
- 4.3 Actual expenditure up to 31 July 2018 is £1,490,000.
- 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. Phased Mechanical and Electrical installations over the summer holiday period were carried out at East End Primary School, Cluny Primary School, New Elgin Primary School, Andersons Primary School and Forres Academy. The completion of the Mechanical and Electrical works will be phased over of a number of years during holiday periods. Roof replacement work at New Elgin Primary School began during the school holidays and is due to complete in December 2018. Stonework repairs to Andersons Primary School is currently being tendered. 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.
- 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. It was agreed to defer some of the landscape planting, due to the prolonged period of dry weather and water conservation advice, until October 2018 to give the plants the best chance of survival. The reinstatement works are on programme and are due to complete end of August 2018.
- 4.7 Milne's Primary: Replacement of Huttred Accommodation and Enhancement of Pre-School Provision (now known as Early Learning and Childcare (ELC)): The Early Years and Nursery Extension was officially opened on 29th June 2018. Refurbishment of the dining block and kitchen was undertaken during the school summer holidays and is substantially complete and ready for the new school term. Demolition of the huttred accommodation is now complete, although this commenced 3 weeks later than planned due to a delay in obtaining the asbestos survey. The focus is to now undertake the landscaping works that will finish off the project over the next few weeks.

4.8 Lossiemouth High Replacement Project:

The final design has been agreed and the planning application approved on 24 April 2018. Due to the ground conditions and the solution required to remedy this, a guaranteed maximum price has been reached of £42.3m. Additional funding was approved by Scottish Futures Trust bringing their total contribution to £26.39m. The special meeting of Full Council on 13 March 2018 (refer to paragraph 3 of the minutes) approved funding of £15.9m. The main school building and community facilities are currently programmed to be completed by August 2020. The early works package was due to commence on 23 July 2018. Due to a delay in the planning process the early works contract has not been able to be signed and therefore no works have commenced. All information has now been submitted to planning to enable due process to be carried out. No work can commence on site until planning is approved.

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 on 19 of June 2018. There are 17 planning conditions associated with this application. Of these conditions 12 need to be discharged before works can commence on site with one being linked to the provision of the haul road to access the site. A final cost report for construction of the school should be available on 21 September 2018. It is likely that due to the 6 month delay the final cost will be affected by construction inflation which may increase the figure above the estimated cost of £12,333.00.

We anticipate a 4 week mobilisation period commencing on 15 October 2018 and actual works on site commencing 12 November 2018 and completing on 10 April 2020.

Until such time as the services infrastructure is provided by Springfield Properties in line with the Section 75 agreement the potential for further delay remains. Officers are developing contingency plans should a delay push the completion date beyond the start of the 2020 academic year. Should modular accommodation be required this will increase costs significantly.

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 councils Fit Life Scheme, replacement of the centres aging fitness equipment and refurbishment of the fitness suite. The critical dates are: October 2018 for the launch of integration within the Fit Life Scheme (this will enable Moray Leisure to cope with the traditional low income period in the run up to Christmas) and March 2019 for the opening of the refurbished fitness suite (this will enable Moray Leisure to maintain their position in an increasingly competitive fitness market).

Progress on the elements and dates are as follows:

- Integration with Fit Life Scheme: Due to the time pressures this element will be phased. The first phase will enable customers of both Council and MLC to benefit from a range of integrated services by October. 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. Companies have been invited to tender with the successful supplier expected to be appointed in October.
- Refurbishment of the Fitness Suite: A proposed layout to remove and re-provision changing accommodation to allow the creation of a single fitness area have been developed and estimated costs produced. A procurement programme to complete the works has been developed for the end of March 2019. This programme is extremely tight and carries the risk of not being met if there are any unexpected issues that cause a delay.

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 12 months.

Layout proposals have been developed for new nurseries at Cullen and Pilmuir Primary Schools with a programmed start on site in January 2019. A procurement process to appoint a contractor to carry out the programme of refurbishment and new build work has been successful.

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 £35,230,000 of which £1,490,000 has been expended as at 31 July 2018. Early indications are that the total annual expenditure will be £21,720,000.

(d) **Risk Implications**

The major highlighted risks are:

The dependency of the Linkwood School project on progress with the wider Elgin South development. This risk is being mitigated as far as practical.

Delay with discharging the pre-commencement conditions for start of construction on the replacement of Lossiemouth High School. All information has been provided to planning, with additional information now requested following consultation.

The programme for the completion of the works at Moray Leisure Centre has been based on the desire of the Centre to reopen its fitness suite in March 2019. While this is possible the programme does not include the normal contingency for a building project of this nature. This risk will be monitored and any change in the completion date will be reported to this Committee.

(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 Lorraine Paisey, Head of Financial Services; 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