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**REPORT TO: SPECIAL MEETING OF THE MORAY COUNCIL ON 29 JUNE 2016**

**SUBJECT: NEW SOUTH EAST ELGIN PRIMARY SCHOOL**

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

**1. REASON FOR REPORT**

- 1.1 The purpose of this report is to update Council on the current position of the new South East Elgin Primary School, to highlight the major risks associated with the project and for Council to determine the project scope and governance arrangements.

**2. RECOMMENDATION**

- 2.1 **It is recommended that the Council agree that the change of circumstances set out in paragraph 3.5 of the report represents a relevant and material change in circumstances, in terms of Standing Order 82, and agree to suspend Standing Order 81 to enable consideration to be given to committing to new South East Elgin Primary School Capital Project.**
- 2.2 **Subject to agreeing para 2.1 above, it is recommended that the Council agree:-**
- (i) to proceed with the new South East Elgin Primary School at an estimated cost of £11.5M over the next 3 years;**
  - (ii) to approve the appointment of Hub North Scotland Ltd as the principal procurement and delivery agency for the project;**
  - (iii) to delegate authority to the Head of Lifelong Learning, Culture and Sport to engage with hubCo as the delivery vehicle for the project based on Council's decisions;**
  - (iv) that the governance of this project be undertaken via the Children and Young Peoples Service Committee;**
  - (v) to consider the establishment of a Project Steering Group, as set out in paragraph 3.8 and Appendix 1; and**
  - (vi) to approve the establishment of a 3 year fixed term Senior Project Officer post to manage the project through to completion.**

**3. BACKGROUND**

- 3.1 Due to capacity issues within existing primary schools, rezoning of primary school catchment areas and increased house building within the south east of Elgin a consultation was carried out regarding the establishment of a new primary school within the south east of Elgin. The consultation concluded on 4 February 2016 and the outcomes reported to Children and Young People's Services Committee on 27 April 2016 (para 6 of the draft minute refers). This Committee approved the establishment of a new primary school, with nursery provision, to serve the agreed catchment area for the delineated geographical zone in south east Elgin with the school located in the area identified within **Appendix 2** subject to The Moray Council agreeing to include it within the 10 year capital plan.
- 3.2 The new school will be established initially at a temporary site at East End Primary School Annexe until the new school building is complete. Once the new school is established on its permanent site, the refurbished accommodation at East End Primary School will provide additional capacity for this school. The implementation date for these proposals is 15 August 2016 for the temporary accommodation. The new school will relocate to its permanent site on the completion of the new school building and nursery, with a target date for this being August 2018.
- 3.3 In order to achieve the timescales, the Council require to agree the following:
- Funding for new school
  - The procurement model - use in house property services or external support through hub North Scotland.
  - Governance framework
- 3.4 On 30 March 2016, The Moray Council approved a £200k budget for 2016/17 to progress with development work for the new school (paras 7 and 10 of the draft minute refers). Given the nature of this project, it should have been reported as an exception at that meeting, as in order to proceed with the build the Council is required to approve the estimated capital cost of £11.5M.
- 3.5 Standing Orders are required to be suspended because the Council has agreed capital expenditure for 2016/17 only. The material change in circumstances is that this project should have been reported as an exception at the meeting on 30 March as full commitment to the project is required to enable it to be completed within the timescales reported to Children and Young People's Services Committee.
- 3.6 At present, the in-house property team does not have the capacity to undertake this work, therefore if it was decided to use this method then workload priorities would require to be reviewed.
- 3.7 Hub North Scotland (hubCo) have experience of managing these types of projects and have the scope to deliver this project. They have recently coordinated a collaborative project between Highland, Aberdeenshire, Aberdeen and Moray Council to align new primary school building projects

with forward thinking learning and teaching methodologies. This work would help inform the design of the new school.

- 3.8 Delivery of the new South East Elgin Primary School project will have to be managed within an appropriate governance framework. This framework will need to achieve an appropriate balance between ensuring adequate political and local control but also sufficient agility to benefit from the cost and quality opportunities arising from using hubCo, if the Council was to use this route. It is felt that the model attached at **Appendix 1** would satisfy both these requirements. Council will note that the model includes a steering group together with a proposed membership. Council are asked to consider the membership of this group.
- 3.9 Fundamental to achieving the benefits to be gained from this model is the degree of authority delegated to the Senior Responsible Officer (SRO). This model assumes that with the exception of agreeing to the final specification, approving financial close and any material variations to either the specification or project finances (which would all have to be approved by Committee) all other decisions would be delegated to the SRO, who it is recommended should be the Head of Lifelong Learning, Culture & Sport.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Moray 2026: A Plan for the Future and Moray Corporate Plan 2015 - 2017**

This report supports the Council's corporate working principles of efficiency, effectiveness and economy. It also supports the Educational Services Improvement Plan objective of providing quality facilities.

**(b) Policy and Legal**

Using hubCo ensures that the Council complies with all necessary procurement regulations. The Council will also need to appoint external advisers: (legal, technical and financial) and part of their roles will be to ensure all relevant legal issues are managed appropriately.

**(c) Financial implications**

There are both capital and revenue costs associated with the proposals for the new and temporary school which require to be progressed through the capital plan process.

1. The capital cost of a new primary school is estimated at £11.5M. The costs of temporary accommodation are included in the 2016/17 Capital Plan. There is considerable uncertainty as to what the final Council contribution will be as there may be additional infrastructure costs and developer contributions will accrue to this project. These elements still require to be determined.

2. Revenue costs are estimated at £133k in the first year (August 2016-March 2017), equivalent to £236k for a full academic year. This is based on costs for a 50 pupil school in Moray and covers staffing, energy, property and resource costs. Costs will increase year on year as additional teachers and support staff are appointed.
3. The start-up resourcing (textbooks, consumables etc.) costs are estimated at £40k in the first year.
4. Furniture costs will be £36k and ICT costs will be £26k, which covers telephones, wireless access point and smartboards. The furniture and ICT will be used by East End Primary following the relocation of the new school.
5. Transport cost to the temporary school (one bus) is estimated at a maximum of £34k per annum and may well be significantly less if parents elect to transport children to the school themselves.

**(d) Risk Implications**

Failure to address primary school capacity issues in Elgin will increase the risk of children, resident within certain school zones, being unable to attend their zoned school. It may also necessitate children being transported from Elgin to schools in neighbouring towns and villages in the future.

There is a risk of construction of the new school building not being complete for August 2018 in which case modular accommodation may have to be deployed at the East End Annexe site.

**(e) Staffing Implications**

It is proposed that the new south east Elgin primary project is managed through the Lifelong Learning, Culture & Sport section. In order to achieve the timeframe it is proposed that a fixed term Senior Project Officer post is provided for 3 years (the anticipated life span of the project) to deliver the necessary capacity to lead on the project.

**(f) Property**

Property is the focus of this report.

**(g) Equalities**

There are no equalities implications associated with this report.

**(h) Consultations**

Consultations have been held with the Corporate Management Team; Education and Social Care Senior Management Team; Head of Legal & Democratic Services; Head of Financial Services; Darren Westmacott, Committee Services Officer. Where comments have been received, these have been incorporated within the report.

**5. CONCLUSION**

- 5.1 To enable the new South East Elgin Primary School Project to be completed for opening in August 2018, the Council will need to commit to the full project at this time.**

Author of Report: Shona Leese, Senior Project Officer

Background Papers:

Ref: