

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 21 JUNE 2022

MONIFIETH LEARNING CAMPUS – COSTINGS UPDATE

JOINT REPORT BY DIRECTOR OF INFRASTRUCTURE and DIRECTOR OF FINANCE

ABSTRACT

This report advises members of the latest position on the Monifieth Learning Campus project and provides an update on its estimated costs which have risen significantly in comparison to the budget available. In light of these developments the report seeks a decision on whether to proceed to the next stage with the project as originally intended or adopt a different option.

1. RECOMMENDATION(S)

It is recommended that the Committee:

- (i) note the update provided in this report including the options appraisal (Appendix 2);
- (ii) note the financial implications (Section 6 and Appendix 4 (exempt)) including the commentary on project affordability in the context of the council's wider financial challenges;
- (iii) note the risks and issues as outlined in Section 7 and Appendix 4 (exempt);
- (iv) note that officers continue to discuss project funding with the Scottish Futures Trust to try to ensure the project cost is shared on the equal basis envisaged in the Learning Estate Investment Programme;
- (v) consider the shortlisted options set out in the report, noting that officers consider only two of those options to be suitable to recommend to members as options to pursue;
- (vi) determine whether to:
 - a) continue to the next stage of the previously agreed new build project for replacing the current Monifieth High School and approve the increase in the budget for the project on the basis proposed in paragraphs 6.8 to 6.19 of this report by agreeing the adjustments to the Council's 2021-26 Capital Plan as outlined in Appendix 3;

OR

- b) abandon the previously agreed project and pursue a phased programme of refurbishment works to the existing school with the detail and timing of this to be the subject of a further report;
- (vii) note that, in the event that option a) above is agreed by Committee, a further report seeking approval of a final design, cost and funding package will be submitted to appropriate committees in early 2023.

2. ALIGNMENT TO THE COUNCIL PLAN

Angus Council Community Plan

The best start in life for children
An enhanced, protected and enjoyed natural and built environment
Safe, secure, vibrant and sustainable communities

Council Plan

Priority 1: Economy – We want Angus to be a ‘go-to’ area for businesses
Priority 2: People – We want to maximise inclusion and reduce inequalities
Priority 3: Place – We want our communities to be strong, resilient and led by citizens

3. BACKGROUND

- 3.1 At the Angus Council meeting on 17 December 2020 (Report [329/20](#)), Elected Members approved the recommendation to identify the replacement of Monifieth High School as the Council’s priority project for inclusion in the Scottish Government’s Learning Estate Investment Programme (LEIP). The report set out the rationale for the inclusion of the project, which included addressing capacity issues and addressing a series of building and maintenance concerns.
- 3.2 As agreed at Angus Council on 4 March 2021, an allocation of £50 million has been identified in the Capital Budget for the replacement of Monifieth High School (Reports [68/21](#) and [76/21](#) refer). This funding allocation was reaffirmed through the Council’s most recent budget setting for financial year 2022/23 in March 2022.
- 3.3 Angus Council received confirmation on 26 January 2021 that the replacement Monifieth High School project is included within Phase 2 of the LEIP and is eligible for funding support. Angus Council must fund the upfront capital investment for the project. Scottish Government will provide revenue funding to support maintenance costs over a 25-year period.
- 3.4 Consultation investigating the opportunities for inclusion within the new Monifieth Learning Campus was completed in Spring 2021 and considered by Angus Council on 24 June 2021. Report [222/21](#) approved the outcomes of the consultation and recommended further consultation on the inclusion or otherwise of Monifieth Public Library.
- 3.5 Further consultation on the inclusion or otherwise of Monifieth Public Library was completed in September 2021 and considered by Angus Council on 4 November 2021. The Council resolved to note the outcome of the two phases of consultation, and that no further options appraisal was required. As such the decision was taken to not include Monifieth Public Library within the development, see item 12 from Minute of Meeting of [Angus Council](#) on 4 November 2021.
- 3.6 On 31 August 2021, Policy & Resources Committee considered Report 274/21, and approved recommendation (iv), to authorise the procurement of the project using Early Integrated Team / partnering arrangements, utilising a Design and Construction model.

4. CURRENT POSITION

- 4.1 Following consideration of the frameworks available for use to deliver the project the Procurement Hub “Major Projects” framework was selected. The framework is a fully EU compliant framework that delivers major construction projects using a six-gateway process. The framework has a single contractor with whom Angus Council enter into a contract. An integrated team of designers, (including specialist design contractors) is appointed by the contractor as sub-consultants / contractors, designs are developed in accordance with Angus Council’s performance specification and the eventual tender costs are 100% market tested with transparent risk identification, mitigation and allocation. The Procurement Hub “Major Projects” framework has a single contractor, Willmott Dixon Construction Ltd, who sub-contract all work in Scotland to Robertson Construction. A feasibility request was submitted to Procurement Hub on 8 September 2021 to commence this process.

- 4.2 Robertson Construction led a designer selection process from October 2021. Following consideration of written submissions and subsequent interviews the following designers were appointed by Robertson Construction:
- Architects: Norr Consultants Ltd
 - Civil and Structural Engineers: Goodson Associates
 - Mechanical and Electrical Engineers: Hulley and Kirkwood Consulting Engineers Ltd

In addition, various specialist designers have been appointed by the design team to complete their elements of the design.

- 4.3 The designers worked closely with the Angus Council Project Team and Monifieth High School from early December 2021 to produce a feasibility design based on the project brief. Following completion of the feasibility design a feasibility cost was developed and a feasibility report was submitted to the Council Project Team on 16 March 2022.
- 4.4 Based on the submitted feasibility report the estimated project cost was £61m which is significantly above the project's identified budget of £50m. The feasibility cost was developed as an early-stage cost estimate only, based on rates per square metre of floor area.
- 4.5 The increased costs relate to a number of factors including:
- Increased floor area, including accommodation for Police Scotland (additional funding was to be provided);
 - inflationary increases beyond previous forecast indices;
 - indicated additional costs to achieve the Passivhaus standard; and
 - significant increased material / construction costs as a result of external factors (energy costs; fuel costs; COVID; Brexit; material supply; material shortages).
- 4.6 Engagement with Police Scotland regarding the potential sharing of space continued as agreed in Report 222/21. Police Scotland had indicated funding was available to provide dedicated accommodation within the development. Police Scotland carried out a review of their requirements in early 2022 and following this review, they advised in March 2022 that they no longer require Police Scotland accommodation within the campus. Their accommodation requirements were subsequently removed from the project.
- 4.7 The feasibility study and costs were developed in a limited time period (10-12 weeks) aligned with the Procurement Hub process. The design information and feasibility cost therefore provide an early indication of costs only. To allow more detailed consideration of how to proceed with the project, and in accordance with the decision of Policy & Resources Committee on 31 August 2021, it was agreed with the Project Board, Depute Chief Executive, Director of Finance and Director of Infrastructure to develop the design in order to provide a more robust estimated cost. This information was then considered as part the options appraisal, contained within Appendix 2, on how to proceed with the project due to the increased cost estimate.
- 4.8 The contractor and Angus Council's Project Team have identified potential costs savings on the feasibility cost ranging from £3m-£5m which includes rationalisation of accommodation required; removal of the area required for Police Scotland; alternative construction methods / material choices; rationalisation of site setup and use of on-site materials.
- 4.9 Design development to provide a more robust cost commenced from April 2022 and included the refinement to the accommodation in addition to development of the initial project specifications. The updated cost estimate was developed in May 2022 and included obtaining some outline budget allowances directly from various sub-contractors to maximise accuracy. The revised estimated project cost is outlined in 6.4 below but remains only a best estimate at this stage.
- 4.10 Estimated construction costs remain extremely volatile currently due to a number of factors including: the continuing effects of Covid on material costs and availability; supply issues and global demand for materials; concerns by suppliers and contractors relating to any future restrictions / pandemics; the effect of Brexit on material importing costs; energy price increases affecting production costs; fuel costs relating to delivery of materials; and increased fuel duty on diesel operated plant.

- 4.11 Due to factors largely beyond the Council's control, in particular market volatility and inflation impacts, it will no longer be possible to deliver the project as originally intended with the funding set aside for the project in the Council's budget. As was made clear at the time the project was originally agreed (at a cost of £50m) and in setting the 2022/23 capital budget the Monifieth Learning Campus project is a very significant financial commitment for the Council which has only been considered affordable by reducing the capital spend on other projects assumed to be available in future years and by assuming an increase in loan charges costs associated with the project can be managed within the Council's revenue budget over the long term.
- 4.12 Given the scale of the project and its long-term financial consequences for the Council it is necessary to re-assess whether the project remains affordable based on the latest cost estimates, bearing in mind the Council's wider financial challenges and the risk that the latest cost estimate is not a final or confirmed cost to deliver the project. Members therefore need to determine whether to continue with the project and address the funding gap now evident or adopt a different option.

5. PROPOSALS

- 5.1 An options appraisal in relation to considering how the project should progress has been completed and included within Appendix 2. The options appraisal is intended to guide, inform and support members in reaching a decision on this matter not to dictate the end outcome.
- 5.2 The options appraisal process was based on producing a long list of options available to progress the project. These were reduced to a short list based on a pass / fail criteria to provide a short-list. The short-listed options were comparatively evaluated using weighted criteria resulting in a recommended option that is most likely to deliver the required outcomes.
- 5.3 The options considered to progress the project were as follows:
1. Do nothing i.e. cancel the project;
 2. Proceed with the Design and Build but with a reduced capacity / facility within approved budget allowance;
 3. Proceed with the Design and Build in line with the current scope and programme at an increased budget;
 4. Delay the project and recommence at a later date;
 5. Refurbish existing school and add an extension based on current LEIP funding; and
 6. Refurbish existing school and add an extension without LEIP funding.

A description and details of each option is outlined within Appendix 2, items 7.1.1 – 7.1.6.

- 5.4 The shortlisting process to narrow down the options was carried out using two characteristics, as follows:
- Will the proposed project option allow the building to achieve an A or B for condition and suitability?
 - Does the proposed project option provide a building with a capacity for at least 1200 young people?

Following application of the above characteristics options 1 and 2 noted within 5.3 above do not pass the shortlisting process.

- 5.5 The four shortlisted options were then comparatively evaluated to determine which option provides the most likely means to deliver the project successfully. The following considerations were assessed:
- Opportunity to improve Energy Efficiency;
 - Budget / Cost / Affordability to deliver the project option;
 - Access and achievement of LEIP or similar funding;
 - Disruption / Impact on operation of the existing school during any project;
 - Opportunities for enhanced facilities for the school and community; and
 - Improved internal environmental conditions.

- 5.6 Each of the considerations noted within 5.5 above were scored between 0 and 10, as outlined within Appendix 2, item 8.0. The considerations were weighted out of 100 to reflect their importance to the project. The final overall weighted scores (%) are as follows:
- Proceed with the Design and Build in line with the current scope and programme at an increased budget – 62%
 - Delay the project and recommence at a later date – 52%
 - Refurbish existing school and add an extension based on current LEIP funding – 46%
 - Refurbish existing school and add an extension without LEIP funding – 51%
- 5.7 Based on the results of the Options Appraisal, as outlined within 5.6 above, the option to proceed with the Design and Build in line with the current scope and programme at an increased budget provides the most likely route to achieving the desired outcomes. This option does however require a funding package to address the funding gap to be identified which, bearing in mind the difficulties of affording the existing budget of £50 million, is very challenging. With this in mind the budget implications and recommendations arising for all 4 of the shortlisted options have been assessed and commented on in Section 6 (Financial Implications) below.

Proposed Programme

- 5.8 Report 274/21 highlighted there had been a delay to the programme of approximately 3 months with a completion date of October 2025 for the school to begin operating. Following development of the feasibility study with contractor and designers a revised programme providing an earlier completion date of July 2025 had been agreed. This proposed completion date would allow the school to commence operation from August 2025, two months earlier than previously reported. In addition this has minimised the cost inflation impact.
- 5.9 The revised programme, subject to agreement of the recommendations of this report, is outlined as follows:
- Detailed design and Tender: March 2022 – March 2023
 - Project approval and Development Agreement: March 2023 – April 2023
 - Construction (Phase 1 – new school): May 2023 – July 2025
 - School building opening: August 2025
 - Construction (Phase 2 – demolition): August 2025 – July 2026
- 5.10 The programme noted above has no opportunity for further consolidation. Any delay to the above dates would result in a delay to the overall project delivery and completion would move to October 2025 at the earliest. The LEIP funding requires that the project will be open to pupils by December 2025.

6. FINANCIAL IMPLICATIONS

Background

- 6.1 The council currently has an overall provision of £50m (gross) within its 2021 - 2026 Provisional Capital Budget to support the development of Monifieth Learning Campus. A small proportion of the total cost (£0.75m) falls into the "Later Years" part of the 2021 - 2026 Capital Budget but this cost along with an assumption about funding support through the LEIP model has been built into the assessment of the Long Term Affordability of the General Fund Capital Plan (Report 68/22 refers) confirming that the project at a cost of £50m is affordable.
- 6.2 As outlined within Report 274/21 the funding from Scottish Government is an outcome based, revenue model. The Scottish Government will provide revenue funding to support their proportion of the funding over a 25 year period. The notional funding award, based on capital value, for the project has been advised by Scottish Futures Trust (SFT) as £24.57 million based on achieving the necessary outcomes. This funding includes allowances for the replacement school capacity, Additional Support Needs facilities and swimming pool. It is noted that assumptions in this regard were required to be made in preparing the Long Term Affordability of the General Fund Capital Plan assessment (Report 68/22 to the Angus Council Special meeting of 3 March 2022 refers). The assumptions detailed in paragraph 8 of that report are relevant.

- 6.3 Although the Scottish Government are not funding the capital build costs directly the LEIP funding model is very clearly a co-funded approach to school investment between the Scottish Government (managed through SFT) and Scottish Local Government. As such it is considered reasonable to assume that significant cost rises due to market conditions will attract additional support rather than be left entirely for the Council to fund. Discussions with SFT are ongoing in this regard.

Revised Cost Estimate

- 6.4 Based on the more detailed design work undertaken and the further work which is to be undertaken to review certain elements of the cost the revised estimated project cost, based on the design development to date, is as follows:

Construction Cost and demolition:	£52.3m
Design and Statutory Fees:	£2.4m
Utilities:	£0.17m
Project Specific Staffing Costs:	£0.83m
Project Risk / Contingency	£0.3m
Estimated Project Cost:	£56m

- 6.5 The above is a best estimate rather than a confirmed final position and so still carries risk and uncertainty. A final cost estimate will only be available in early 2023 based on final designs and costings prior to entering into a Project Agreement with the contractor to build the new school and member approval will be required to sign that Project Agreement.

Budget Implications of the Options and Recommendations Arising

- 6.6 The Options Appraisal in Appendix 2 has 4 shortlisted options which in summary would have the following implications for the Council's budget:

- **Option 3** Proceed with the Design and Build in line with the current scope and programme at an increased budget – this option has the most significant budget implications which are covered in more detail below. This option is the highest ranking of the options and is recommended as such, but members do need to carefully consider its impact on the Council's financial position and the delivery of other capital projects.
- **Option 4** Delay the project and recommence at a later date – this option would mean retaining the current £50m budget provision but pushing this back by perhaps 2 – 3 years to give time for market conditions to settle down. The project would remain as a commitment for long term financial planning purposes, but no expenditure would be budgeted to take place in the short to medium term. This option is considered to be too high risk financially to be able to be recommended as a viable way forward at this time due to the loss of LEIP funding which would arise (with no certainty of future allocations) and the very low probability of construction pricing reducing to the extent which would be necessary.
- **Option 5** Refurbish existing school and add an extension based on current LEIP funding – this would in effect be a new project which would need to be designed and costed but the scale of the work to be undertaken would need to be tailored so as not to exceed the available £50m budget. It may be that such a project would cost less than £50m and allow any remaining funding to be put to other priorities within the Council's capital budget. From a financial perspective this option is unlikely to provide good value in comparison to other options because the extent and cost of works to achieve LEIP funding (which would not be guaranteed) would be significant, potentially resulting in similar costs to the £50m budget. This option also puts the Council's existing LEIP funding award at risk because of delays to delivery. Given these risks this option is not recommended.
- **Option 6** Refurbish existing school and add an extension without LEIP funding – budget implications would be similar to those in Option 5 above but without a requirement to achieve LEIP funding the refurbishment works could be less extensive and be profiled over a longer period to make them more affordable. This option would be expected to cost less than £50m thereby freeing up funds for other priorities. This option can be recommended as a realistic and affordable alternative to the new build option if the budget implications and consequences of the new build option are deemed to be unacceptable by members.

- 6.7 Based on the above and the additional detail in the Options Appraisal the choice facing the Council is to either:
- a. continue to the next stage with the previously agreed new build project for replacing the current Monifieth High School and increase the budget for the project in response to market conditions;

OR

- b. abandon the previously agreed project and pursue a phased programme of refurbishment works to the existing school.

Option 3 - New Build Option With Increased Budget – Funding Proposals

- 6.8 If members are minded to continue on to the next stage with the previously agreed new build project, then based on an estimated revised cost of £56m, additional funding of £6m would be required to address the funding gap. The funding options for this are:
- a. Increase LEIP funding for the project
 - b. Increase the budget by borrowing more
 - c. Utilise the capital budget contingency provision
 - d. Re-prioritise the existing capital budget by deferring or deleting other projects

a) Additional Funding through LEIP

- 6.9 Officers are in regular dialogue with SFT in this regard – the escalation in costs is due in large part to market conditions so there is a strong argument that SFT/Scottish Government as co-funders should provide additional support. It is recognised that the LEIP funding will be under pressure nationally due to market conditions and that there is risk to assuming further significant funding from this source will be forthcoming.

- 6.10 At a meeting with SFT officers on 30 May 2022 it was confirmed that SFT funding metrics will be adjusted to reflect updated construction cost indices to March 2023 and although still subject to formal confirmation this would result in additional funding through the LEIP of £1.1m for the project. This is welcome news but clearly does not equate to a 50% share of the additional cost of the project based on the latest estimates so discussions with SFT will continue in this regard. SFT does not provide funding for the upfront capital build costs but their funding does make the cost of the Council's borrowing to fund upfront capital costs more affordable. The additional funding assumed would support additional borrowing by the Council to that value.

b) Increase Capital Borrowing

- 6.11 Borrowing more simply adds additional costs to the Council's revenue budget. When the £50m for this project was agreed in the 2021/22 budget setting process it was made clear that this was at the limit of what could be afforded and this remains the case – the project is a very large long term financial commitment which will add to existing revenue costs at a time when significant savings in the revenue budget are projected to be required. A £50 million cost (funded by borrowing) and even after allowing for LEIP funding will still add an average of £1.4 million p.a. to the Council's loan charges costs over the next 40 years. Borrowing more to address the funding gap is therefore not recommended as an affordable option.

c) Utilise Capital Budget Contingency Provision

- 6.12 The capital contingency budget is currently just under £3.8m to cover risks in this financial year and the following 3 years. Inflation is likely to affect other capital projects during this 4 year span so using the capital contingency for the Monifieth Learning Campus project on a sizeable scale would leave very limited cover for other eventualities including any emergency projects which might be required in the next 4-5 years. Notwithstanding the need to utilise the capital budget contingency cautiously it is recommended that £0.3m of this funding be utilised towards the funding gap given the importance of this project.

d) Reprioritise Existing Capital Budget

- 6.13 Given the challenges with other funding options outlined above this is the option which requires to be deployed to address the remaining funding gap. Many capital projects are either committed or substantially progressed so the focus of options for reprioritisation has been mainly on those projects where budget provision has been made during the period 2023/24 to 2025/26.
- 6.14 There are a number of ways the Council's existing capital budget can be reprioritised in order to create additional funding for the Monifieth Learning Campus project. Officer proposals in this regard are set out in Appendix 3 and assume for planning purposes at this point that no further funding from SFT beyond that already discussed will be provided. Those proposals avoid the deletion or complete cancellation of any projects but rather focus on reducing existing budgets in order to limit the impact. The adjustments to the Council's existing General Fund capital budget 2021-26 set out in Appendix 3 to address the remaining funding gap are recommended for implementation if members are minded to progress the new build project to the next stage and if no further funding from SFT is able to be secured.
- 6.15 These recommendations if approved would mean a change to a previous Council decision being made within a period of 6 months from the date of the Council's budget setting on 3 March 2022. As such the provisions of Standing Order 26 would apply which only allow a decision to be changed where there has been a material change in circumstances. In this instance a material change of circumstances has arisen due to a significant change in expected costs. The proposals in Appendix 3 will be subject to further review once the outcome of ongoing discussions with SFT is known. The expectation is that further SFT funding would allow some of the proposed budget reductions in Appendix 3 to be reinstated.
- 6.16 While it is important for the Council to have a clear plan as to how the project will be paid for and budgets deployed in deciding whether or not to proceed to the next stage it will, as would normally be the case, be possible to review and revisit this position as part of setting the Council's 2023/24 revenue and capital budgets in February/March 2023.
- 6.17 Based on the proposals above the estimated additional cost to deliver the project of £6m would be funded as follows:

Funding Proposal	Value £m
Additional Funding Support from SFT (paragraph 6.10)	1.1
Use of Capital Contingency (paragraph 6.12)	0.3
Adjustments to Other Capital Project Budgets (Appendix 3)	4.6
Total	6.0

- 6.18 The funding proposals set out above are based on the latest estimated cost of the new build Monifieth Learning Campus project. The final cost however will not be known until the detailed design and formal tender has been submitted in February/March 2023 and at that point elected members will be asked to approve the project moving to implementation.
- 6.19 In addition to the information above members of the Committee are also referred to the confidential financial appendix (Appendix 4) included with the agenda as an exempt item.

Project Affordability in the Context of the Council's Wider Financial Challenges

- 6.20 The decisions members are being asked to make in this report come at a time of significant financial risk and uncertainty for the Council and it is important for members to have regard to these and the Council's wider financial challenges.
- 6.21 Although they require to be updated the most recently prepared revenue budget projections for financial years 2023/24 and 2024/25 show a funding gap of over £28m to be addressed over those 2 years with Change Programme savings options identified so far and drawdowns from reserves potentially meeting around half of that gap. With general inflation at the level it currently is and the risks already evident in relation to staff pay inflation the projected funding gaps for future years now look optimistic. Bearing in mind the scale of savings (£78m over the last 10 years) already made in the Council's budget and that significant parts of the budget are made up of fixed costs the task of balancing future budgets looks to be exceptionally difficult.

- 6.22 As outlined above a £50m cost (funded by borrowing) and even after allowing for LEIP funding will add an average of £1.4m p.a. to the Council's loan charges costs over the next 40 years and in doing so will add to costs which are then largely fixed for the long term. This means savings required in future budgets will need to come from other sources.
- 6.23 It is inevitable that some of the budget savings choices members will need to make to balance future budgets will involve substantial reductions to the scale and quality of services the Council currently provides and that increases in the fees, charges and taxes levied by the Council will also be required, insofar as legally permitted. The context is therefore one of extreme challenge and uncertainty and that means elected members need to be sure that the new build Monifieth Learning Campus project is an absolute priority for the long term if this is their preferred option and approve its progression to the next stage in the knowledge that doing so will add to the Council's revenue costs at a time when significant savings in those revenue costs are required at least in the short to medium term.

Other Financial Considerations

- 6.24 Revenue costs associated with national non-domestic rates for the new campus are likely to increase. This additional cost, estimated to be in the region of £150 - 200,000 per annum, will require to be reflected within future year's budget setting from 2025. The exact additional cost will only be confirmed following an assessment of the constructed building by the Assessor.
- 6.25 Due to the improved energy efficiency targets of the new building the overall energy use of the building per square meter will reduce. Expected operational energy use will be developed as part of the design. The overall energy use will require to take account of the increased overall building footprint, improved building systems and the potential for increased building usage and extended opening hours.
- 6.26 The development of the project design to its current stage has incurred the following costs:

Contractor / Consultant Fees:	£355K
Site Investigations / Surveys:	£65K
TOTAL	£420K

In order to fully develop the designs and costs to allow entering into a construction contract the total costs, including costs paid to date, are estimated to be:

Contractor / Consultant Fees:	£1.65m
Site Investigations / Surveys:	£0.15m
TOTAL	£1.8m

These costs are included in the overall budget noted within item 6.4 above. If the project was not to progress at this point, or any point up to entering into a construction contract, these costs will not be recovered. Any information produced at the point of halting the contract would be available to Angus Council, subject to the terms of the framework and contractor appointments.

7. RISKS

- 7.1 Risk Management strategy – Project and procurement risks are being managed in accordance with the Council's Risk Management strategy and being monitored through the established Project Board.
- 7.2 Additional commentary on financial risks is given in Appendix 4 (exempt).
- 7.3 As noted within paragraphs 5.8 and 5.10 the project programme has already been accelerated and any further delays will impact the delivery times of the project. Any delay to completion beyond December 2025 may impact the LEIP funding for the project.

- 7.4 As noted within report 274/21, paragraph 7.2 the LEIP funding model is significantly different from previous funding models and is based on an outcome based revenue funding approach. Unlike previous similar school investment projects support for the Council's funding towards the costs of investment in Monifieth High School from the Scottish Government is not guaranteed and will require compliance with the funding conditions for the long term. This significantly changes the risk profile for the council as funding could reduce if specific targets are not met.

The table below sets out the current approach to the mitigation of the main risks associated with the funding.

Table to follow, two columns, first row header then four rows of information

Funding Category	Risk Mitigation
Condition	The design of the facility will be specified to maximise robustness and lifespan. In addition, Angus Council has a proven track record of maintaining school buildings to condition A or B. Ensuring condition is maintained to the required standard does nevertheless commit the Council financially to a level of maintenance for the next 25 years almost irrespective of what other pressures may affect the Council's budget in future years.
Energy Efficiency	The design and specification of the building has been specified to achieve Passivhaus standard. This will minimise the risk of not achieving the energy efficiency outcome.
Digital Enabled Learning	The design of the facility is being specified and developed to meet the requirements of the funding target. The digital infrastructure will also be developed to address the school digital strategy which is currently in development.
Economic Growth	Committing to achieving our Community Benefit requirements, including meeting the targets specified as per the Construction Industry Training Board (CITB) benchmarks published July 2017, was part of the Contractor selection process. A community Benefits plan has been developed and is being monitored throughout the project.

End table.

8. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment has been carried out and is attached in Appendix 1.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Report 329/20, Angus Council, 17 December 2020
- Report 76/21, Angus Council Special meeting 4 March 2021
- Report 109/21, Angus Council, 30 March 2021
- Report 222/21, Angus Council, 24 June 2021

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List of Appendices:

Appendix 1 – Equality Impact/Fairer Scotland Duty Assessment Form

Appendix 2 – Costings Update Options Appraisal

Appendix 3 – Recommended Adjustments to the Council's 2021-26 Capital Plan

Appendix 4 – Financial Information (Exempt)



Equality Impact/Fairer Scotland Duty Assessment Form

(To be completed with reference to Guidance Notes)

Step 1

Name of Proposal (includes e. g. budget savings, committee reports, strategies, policies, procedures, service reviews, functions):

MONIFIETH LEARNING CAMPUS – COSTINGS UPDATE

Step 2

Is this only a **screening** Equality Impact Assessment Yes/No

(A) If Yes, please choose from the following options **all** reasons why a full EIA/FSD is not required:

(i) It does not impact on people Yes/No

(ii) It is a percentage increase in fees which has no differential impact on protected characteristics Yes/No

(iii) It is for information only Yes/No

(iv) It is reflective e.g. of budget spend over a financial year Yes/No

(v) It is technical Yes/No

If you have answered yes to any of points above, please go to **Step 16**, and sign off the Assessment.

(B) If you have answered No to the above, please indicate the following:

Is this a full Equality Impact Assessment Yes/No

Is this a Fairer Scotland Duty Assessment Yes/No

If you have answered Yes to either or both of the above, continue with Step 3.

If your proposal is a **strategy** please ensure you complete Step 13 which is the Fairer Scotland Duty Assessment.

Step 3

(i)Lead Directorate/Service:

Main project: Education and Lifelong Learning
Project Procurement: Infrastructure

(ii)Are there any **relevant** statutory requirements affecting this proposal? If so, please describe.

(iii)What is the aim of the proposal? Please give full details.

The report provides an update on the estimated costs for Monifieth Learning Campus which exceeds the current approved Capital budget and seeks to increase the project budget in line with the previous agreed procurement method. Other options to progress the project have been considered through an options appraisal (Appendix 2 of the committee report).

The Equality Impact Assessment relates to a development of the Equality Impact Assessment developed in relation to the procurement of the building only and not the actual impact from the operation of the new building. Other Equality Impact Assessments have been completed in relation to the project including report 222/21

(iv)Is it a new proposal? Yes/No Please indicate OR

Is it a review of e.g. an existing budget saving, report, strategy, policy, service review, procedure or function? Yes/No Please indicate

Step 4: Which people does your proposal involve or have consequences for?

Please indicate all which apply:

Employees Yes/No

Job Applicants Yes/No

Service users Yes/No

Members of the public Yes/No

Step 5: List the evidence/data/research that has been used in this assessment (links to data sources, information etc which you may find useful are in the Guidance). This could include:

Internal data (e.g. customer satisfaction surveys; equality monitoring data; customer complaints).

None

Internal consultation (e.g. with staff, trade unions and any other services affected).

Project Board which includes members from Education and Lifelong Learning; Legal and Democratic; Finance; Communications; Capital Projects Team.

External data (e.g. Census, equality reports, equality evidence finder, performance reports, research, available statistics)

The Building Cost Information Service published indices.

External consultation (e.g. partner organisations, national organisations, community groups, other councils).

While wider consultation undertaken for the project, no specific consultation for project Procurement options.

Other (general information as appropriate).

Compliance with procurement and equalities legislation including:-
Procurement Reform (Scotland) Act 2014; The Public Contracts (Scotland) Regulations 2015; The Procurement (Scotland) Regulations 2016; The Equality Act 2010

Step 6: Evidence Gaps.

Are there any gaps in the equality information you currently hold? Yes/No

If yes, please state what they are, and what measures you will take to obtain the evidence you need.

Step 7: Are there potential differential impacts on protected characteristic groups? Please complete for each group, including details of the potential impact on those affected. Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each group. Please state the reason(s) why.

Age

Impact – positive – young people

The procurement of the project will provide opportunities for young people to gain work experience and job opportunities through community benefits delivered through the project. Opportunities include Curriculum Support Activities; Work Experience; Apprenticeships; New entrants; Graduate Employment – all as measured in accordance with The Construction Industry Training Board's Key Performance Indicators: meeting your targets

Disability

Impact - none

Gender reassignment

Impact - none

Marriage and Civil Partnership

Impact - none

Pregnancy/Maternity

Impact - none

Race - (includes Gypsy Travellers)

Impact - none

Religion or Belief

Impact - none

Sex

Impact - none

Sexual orientation

Impact - none

Step 8: Consultation with any of the groups potentially affected

If you have consulted with any group potentially affected, please give details of how this was done and what the results were.

None

If you have not consulted with any group potentially affected, how have you ensured that you can make an informed decision about mitigating action of any negative impact (Step 9)?

While wider consultation undertaken for the project, no specific consultation identified in relation to the project options for procurement.

Step 9: What mitigating steps will be taken to remove or reduce potentially negative impacts?

No negative impacts identified.

Step 10: If a potentially negative impact has been identified, please state below the justification.

N/A

Step 11: In what way does this proposal contribute to any or all of the public sector equality duty to: eliminate unlawful discrimination; advance equality of opportunity; and foster good relations between people of different protected characteristics?

In order to ensure there is no unlawful discrimination, compliance with procurement and equalities legislation including:- Procurement Reform (Scotland) Act 2014; The Public Contracts (Scotland) Regulations 2015; The Procurement (Scotland) Regulations 2016; The Equality Act 2010

Step 12: Is there any action which could be taken to advance equalities in relation to this proposal?

N/A

Step 13: FAIRER SCOTLAND DUTY

This step is only applicable to **strategies** which are key, high level decisions. If your proposal is **not** a strategy, please leave this Step blank, and go to Step 14.

Links to data sources, information etc which you may find useful are in the Guidance.

Step 13(A) What evidence do you have about any socio-economic disadvantage/inequalities of outcome in relation to this strategic issue?

Step 13(B) Please state if there are any gaps in socio-economic evidence for this strategy and how you will take measures to gather the evidence you need.

Step 13(C) Are there any potential impacts this strategy may have specifically on the undernoted groupings? Please remember to take into account any particular impact resulting from Covid-19.

Please state if there is a potentially positive, negative, neutral or unknown impact for each grouping.

Low and/or No Wealth (e.g. those with enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future.

Impact

Material Deprivation (i.e. those unable to access basic goods and services e.g. repair/replace broken electrical goods, warm home, leisure and hobbies).

Impact

Area Deprivation (i.e. where people live (e.g. rural areas), or where they work (e.g. accessibility of transport).

Impact

Socio-economic Background i.e. social class including parents' education, people's employment and income.

Impact

Other – please indicate

Step 13(D) Please state below if there are measures which could be taken to reduce socio-economic disadvantage/inequalities of outcome.

Step 14: What arrangements will be put in place to monitor and review the Equality Impact/Fairer Scotland Duty Assessment?

Equality Impact Assessment will be developed or updated to reflect the relevant decision or stage of the project.

Step 15: Where will this Equality Impact/Fairer Scotland Duty Assessment be published?

Equality Impact Assessment to be monitored as part of development of community benefits delivered through the contract procurement.

Step 16: Sign off and Authorisation. Please state name, post, and date for each:

Prepared by: Dave Smith, Manager Capital Projects, 20 May 2022

Reviewed by: Doreen Phillips, Equalities Officer, 20 May 2022

Approved by: Ian Cochrane, Director of Infrastructure, 31 May 2022

NB. There are several worked examples of separate EIA and FSD Assessments in the Guidance which may be of use to you.
