

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – TUESDAY 2 MAY 2023

MONIFIETH LEARNING CAMPUS – PROJECT UPDATE AND CONTRACT AWARD

JOINT REPORT BY DIRECTOR OF INFRASTRUCTURE AND ENVIRONMENT, DIRECTOR OF FINANCE AND DIRECTOR OF EDUCATION AND LIFELONG LEARNING

ABSTRACT

This report provides members with the latest position regarding the Monifieth Learning Campus project. An update is provided in relation to the estimated costs of the project which are greater than the costs indicated in the budget setting report 41/23 in March 2023. If it is agreed to proceed with the project the report seeks approval to enter into the construction contract.

1. RECOMMENDATION(S)

It is recommended that the Committee:

- (i) notes the update provided in this report;
- (ii) notes the financial implications within Section 6 of this report which includes proposals to meet the current funding gap for this project;
- (iii) notes that such financial implications and funding gap as outlined constitute a material change of circumstances within 6 months of the relative costings being agreed by Council in report number **41/23** on 2 March 2023 so that in terms of Standing Order 26 (2), the Convenor requires to make a ruling that it is appropriate for the issue to be reconsidered;
- (iv) notes the risks and issues as outlined in Section 7;
- (v) notes the proposal from the Scottish Futures Trust (SFT) of a further 11% uplift to funding, which would equate to circa £2.9m for Monifieth Learning Campus;
- (vi) in the event that the Convenor makes a ruling that it is appropriate for the issue to be reconsidered in terms of recommendation (iii) above, determines whether to:
 - a) continue to the construction phase of the new build project to replace the current Monifieth High School and approve the proposed funding route to increase the budget for the project on the basis proposed in Section 6;

OR

- b) stop the previously agreed project and explore alternative options to improve Monifieth High School; and
- (vii) in the event that option a) in terms of recommendation (vi) above is agreed by Committee, authorises the Director of Legal and Democratic Services, following consultation with the Director of Finance and Director of Education and Lifelong Learning, to execute, deliver and perform the Project Agreement, the Collateral Agreements and any other necessary documentation in respect of the project on behalf of Angus Council, using the Procurement Hub “Major Projects Framework 2”.

2. ALIGNMENT TO THE COUNCIL PLAN

Council Plan 2023-28

- People – support children, young people and adults to access appropriate opportunities which allow them to progress in their learning;
- Place – take action to mitigate against climate change by delivering our Transition to Net Zero Action Plan: 2022 to 2030 and leading on the delivery of a Sustainable Energy Climate Action Plan (SECAP) for Angus to reduce area wide emissions

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 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.
- 3.3 An initial allocation of £50 million was identified in the Capital Plan and agreed at Angus Council on 4 March 2021 (Reports 68/21 and 76/21 refer).
- 3.4 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.
- 3.5 At the Policy & Resources Committee meeting on 21 June 2022 members were advised of the financial pressures affecting the project, in particular market volatility and inflation ([Report 152/22](#) refers). Members were advised it was no longer feasible to deliver the project within the original £50m allocation. The Committee considered various options on how to proceed with the project and agreed to continue the new build project at an estimated revised cost of £56m. An exempt appendix to Report 152/22 advised members of a range of risks which could affect the final cost and that the £56m estimate was considered to be a likely best case scenario. The other options identified within report 152/22 were discussed by members at the meeting and not considered viable. A funding package was agreed as part of this decision. This funding allocation was reaffirmed through the Council's most recent budget setting for financial year 2023/24 in March 2023 ([Report 41/23](#) refers).

4. CURRENT POSITION

- 4.1 As noted within Report 152/22, item 4.1, the project has been developed through the Procurement Hub "Major Projects" framework. The Procurement Hub "Major Projects" framework has a single contractor, Willmott Dixon Construction Ltd, who sub-contract all work in Scotland to Robertson Construction. The designers appointed include:
- 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 including Acoustician; Fire Engineer; Passivhaus Designer; Landscape Architect; Ecologist; and Ground Investigation Engineer.

- 4.2 Following consultation with officers within Legal and Democratic Services it was confirmed that the role to develop the contract documents and Project Agreement could not be resourced in-house due to the specialist nature of the advice required. Legal and Democratic Services carried out a procurement exercise to obtain external legal support for the project. Harper Macleod LLP were appointed on 20 January 2023.

Consultation Update

- 4.3 Prior to submission of a Planning Application a statutory Pre-Application process was completed. This included a number of in-person events which were held between July 2022 and September 2022. Three events were initially completed and a final fourth event included

updates to the proposals to reflect comments provided in the original three events. At these events interested attendees could discuss the proposals with the Angus Council Project Team, the Architects and the Contractor. In addition to the in-person events access was available through an online chat function where interested parties could contact members of the Project Team directly. A dedicated project webpage contained the same information as provided at the in-person events for consultees who were unable to attend in person. Consultees were invited to provide responses through completing an online survey, or by completing a paper response at the in-person events.

- 4.4 Following completion of the pre-planning application process the responses received across public events and online were collated to allow submission as part of the Planning Application.
- 4.5 Consultation with Monifieth High School has taken place throughout the design process. This has included a variety of drop in events, workshops, group meetings and one to one meetings regarding various key elements of the design. These events have included the young people within Monifieth High School; school management team; principal teachers; teachers; and support staff.
- 4.6 In addition, consultation has been ongoing with other key parties including Tayside Contracts; Early Years Team; Asset Maintenance Team; Roads and Transportation; IT Service; and Parks and Burial Grounds. All parties have contributed information which has informed the design development.

Planning Application

- 4.7 Following completion of the Pre-Application Process the Planning Application was submitted in October 2022. The Planning Application was registered in November 2022.
- 4.8 Through the application process there has been a requirement to carry out additional surveys and provide further information. Concerns were raised through Environmental Health regarding the noise impact the facility could generate from outdoor pitches in relation to the proximity of neighbouring properties. Further testing and reports were provided by the acoustician in March 2023. The Planning Application was subsequently approved at Development Standards Committee on 18 April 2023.

Design Development

- 4.9 The design of Monifieth Learning Campus has continued to the original programme dates set out in report 152/22. The design accommodates capacity for 1,200 young people within Monifieth High School and includes a 30 capacity Early Years facility. The building includes a replacement swimming pool and a variety of multi-purpose spaces. The developed plans remain below the Scottish Futures Trust funding area (space metric) for a building of this capacity, evidencing the efficiency of the design.
- 4.10 The requirement to achieve Passivhaus accreditation has remained a focus of the design process. This will minimise the risk to LEIP funding associated with energy outcome targets, while improving construction quality and user comfort.
- 4.11 The Council project team have continued to review and interrogate the designs to ensure they meet the user requirements, but also provide value for money. Value Engineering has been undertaken throughout the design development, as opposed to being a separate exercise carried out after the design. Key Value Engineering successes have included:- the rationalisation of the roof form providing a lower cost and more efficient building envelope; changes to internal finishes; careful consideration of external material specifications; and alternative product selection providing the same level of performance without reducing the quality of the end product for users.

Market Volatility / Inflation

- 4.12 As indicated in Report 152/22, Item 4.10, construction costs were extremely volatile. This volatility has continued throughout 2022.
- 4.13 The volatility of the construction market is out with the control of Angus Council and specific areas include:

- The continuing effects post-Covid on material cost and availability;
- Inflation within the construction market;
- Supply issues and global demand for materials as a result of external factors including the Russian invasion of Ukraine;
- Concerns by suppliers and contractors relating to any future restrictions / pandemics
- The effect of Brexit on material importing costs;
- Significant fuel and energy cost increases, affecting material production and delivery.

4.14 Initial information in late 2022 indicated that the Main Contractor would be unable to provide a project cost which included construction inflation through the life of the project. This would have resulted in Angus Council having to take on part, or all, of the construction inflation risk. This approach and risk profile is contrary to previous similar school projects. Indications in early 2023, however, have highlighted that construction inflation, while continuing to rise, is more manageable and contractors / sub-contractors will now include this risk as part of the overall project cost. This is outlined further in 6.6 below.

5. PROPOSALS

5.1 The contractor and designers are continuing to finalise construction proposals and information to allow the project agreement to be concluded in early May 2023.

5.2 As noted within 4.1 the project has been developed using the Procurement Hub “Major Projects” framework. Since the project progressed Procurement Hub have released a new framework to replace that currently being used. The new Framework, “Major Projects Framework 2” (MPF2) became active on 4 April 2022. Procurement Hub have confirmed the Council has the option to continue with the original framework or move to the new framework. Following consideration of both options the Project Team, Project Board and External Legal Advisors have agreed there are benefits to using MPF2 including:-

- Direct contract with the constructor, Robertson Construction, as opposed to Wilmot Dixon;
- Direct contractual link to the constructor rather than through a Collateral Warranty;
- Simplified dispute resolution process if required;
- Increased monthly financial health checks by Procurement Hub on the MPF2 framework;
- Faster and fairer payment terms for sub-contractors and suppliers, assisting to meet our obligations regarding prompt payment; and
- Higher targets for use of local supply chain/ SME contractors, jobs creation, waste reduction and social enterprise

The Project Team identified there is a small increase within the contractor preliminary costs under MPF2, however Robertson Construction have agreed to reduce this cost to reflect the original framework values. Taking account of the above it is recommended to utilise MPF2 if progressing with the project.

5.3 The Project Board has considered the design proposals and overview provided by the Project Team and agreed they meet the Project Scope.

Proposed Programme

5.4 The current programme, subject to the agreement of the recommendations of this report, is outlined as follows:

- Financial Close: May 2023
- Construction Phase 1: June 2023 – July 2025
- School Building Opening: August 2025
- Construction Phase 2: September 2025 – August 2026

5.5 The above programme is based on entering the Project Agreement in early May 2023 to allow a site mobilisation late May 2023 and commencement of construction in June 2023. Any delay to these dates would delay the completion of Phase 1. This would result in the decant of the existing building to the next holiday period, currently October 2025. If there was any delay to Phase 1 there would be a corresponding delay to Phase 2 commencement and completion.

Progress to Construction

- 5.6 Having considered the Project proposals and updated information as set out in this report, the Project Board has agreed that the most viable option is to continue with the project. Members are asked within the recommendations of this report to agree to either proceed with the construction of the new Monifieth Learning Campus or abandon the previously agreed project and for officers to explore alternative options to improve Monifieth High School (without LEIP funding which would no longer be available).

Alternative to Progressing with New Build

- 5.7 If members' decision is to abandon the previously agreed project and explore alternative options to improve Monifieth High School a further report outlining options would be developed for consideration. If the new build project was abandoned it would also involve the following:
- Potential loss of LEIP funding (circa £28m)
 - Potential loss of developer contributions as noted within para 7.6 (circa £1.48m)
 - Abortive costs already incurred in relation to the development of the new build, as noted within para 6.20 (£2.12m)

6. FINANCIAL IMPLICATIONS

Background

- 6.1 The Council currently has an overall provision of £56m (gross) within its 2022 – 2027 Provisional Capital Budget to support the development of Monifieth Learning Campus. A small proportion of the total cost (£0.045m) falls into the "Later Years" part of the 2022 – 2027 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 60/23](#) refers) confirming that the project at a cost of £56m 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 the original capital value, for the project had been advised by Scottish Futures Trust (SFT) as £24.57 million based on achieving the necessary outcomes. This funding included allowances for the replacement school capacity, Additional Support Needs facilities and swimming pool. As outlined in Report 152/22 it was confirmed that Angus Council would be eligible for an additional £1.1m of LEIP funding for the project providing a total of £25.67m. SFT does not provide funding for the upfront capital costs but its annual funding has been used by the Council in its long term affordability assessments on the Council's capital expenditure plans to give a net impact on the Council's revenue budget. Based on the proposed borrowing for this project (which is proposed to remain in line with that agreed in Report 152/22 and through the Council's 2023/24 budget setting process approved on 2 March 2023) an average net revenue impact on capital financing costs arising from the project of £1.4m p.a. has been estimated over a 40 year period.

Tendering and Revised Cost Estimate

- 6.3 The main contractor has carried out competitive tendering processes for each of the building elements. This process has been 'open-book' and the council Project Team have had the opportunity to review the information supplied to sub-contractors and their responses. Where specialist design contractors have been required in advance of market testing, the chosen contractors have been competitively assessed based on estimated costs and quality of approach. While the main contractor has led this selection process and is ultimately responsible for the specialist design contractors, the Council has been involved in the selection.
- 6.4 Based on the current designs and the costs received through the tendering exercise, the updated costs are as follows:

Construction and Demolition Cost:	£62.75m
Design and Statutory Fees:	£2.42m
Utilities:	£0.2m
Project Specific Staffing Costs:	£0.83m
Project Risk / Contingency:	£0.3m
Estimated Project Cost:	£66.5m

- 6.5 The Construction and Demolition Cost noted above continues to be finalised to ensure the most accurate costs are achieved prior to signing the project agreement. While this allows the opportunity for reduction through further value engineering, there remains a risk that any unpriced omissions which are identified could increase costs. If value engineering provides a reduction to the Estimates Project Cost noted above, the funding from the General Fund Reserves will be reduced accordingly.
- 6.6 The main contractor has confirmed the Construction and Demolition Cost outlined above is inclusive of construction inflation. This is a similar approach taken on major school replacement projects. The main contractor will be responsible for delivering the project to meet the agreed costs, including any outstanding design risk; construction risk; procurement risk; inflation; and ground conditions (unless specifically excluded). The Council will retain the risk on any elements that the contractor cannot quantify including:- Changes requested by the authority after financial close; the ground conditions below the footprint of the existing buildings; and any unknown asbestos within the building.
- 6.7 The Project Risk / Contingency sum identified within 6.4 above is relatively small in relation to the size of the project, however it reflects the remaining risk to the Council associated with the procurement type and Project Agreement.
- 6.8 The increases to the estimated Project Costs have been reviewed by the Project Team and are summarised as follows:-
- Increased inflation beyond that predicted within the Building Cost Information Service indices;
 - Continuing increased material / construction costs as a result of external factors (energy costs; fuel costs; COVID; Brexit; material supply; material shortages);
 - Increased specification beyond Technical Standards to ensure compliance with the Council's insurers requirements;
- 6.9 The Council Project Team have reviewed the estimated costs in comparison to other similar projects developed in the same period. In addition, for comparative purposes, the developing costs have been reviewed with SFT who have a wider overview of the LEIP programme. The costs received for Monifieth Learning Campus are lower than comparable projects. The reduced cost has been realised through setting out a robust brief from the project outset; ensuring the design is as efficient as possible; and continual interrogation of the developing design, ensuring value engineering is explored.

Funding

- 6.10 As per report 152/22, recommendation (iv), discussions have been ongoing between Angus Council and SFT to determine the likelihood of additional funding support in response to current market conditions. The latest proposal from SFT indicates an uplift to project funding of 11%. For the Monifieth Learning Campus this provides a notional increase in funding of £2.93m. In addition, the previously estimated £1.1m referred to in 6.2 above has now been confirmed as £1.17m. Confirmation of the final funding award is still awaited but based on discussions with SFT this is now anticipated to total £28.67m (£24.57m originally awarded, plus £1.17m uplift per Report 152/22, plus £2.93m further uplift per this Report).
- 6.11 If members are minded to continue to the construction stage a funding gap of £10.5m exists, as noted below, prior to allowing for the additional £2.93m Scottish Government funding.

Previous Estimate (Report 152/22)	£56.0m
Revised Estimate	£66.5m
Funding Gap	£10.5m

The funding options for addressing this increase are as follows:

Increase Capital Borrowing

Borrowing more simply adds additional Capital Financing 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. While the level of borrowing has subsequently increased for the project, this has been through the removal of capital expenditure of an equivalent amount in the Council's Capital Plan (Report 152/22, paragraph 6.17 refers). There has been, therefore, no overall increase in borrowing within the Capital Plan from progressing the project. Borrowing more than currently provided for in the Capital Plan, in overall terms, to address the funding gap continues to be not recommended as an affordable option.

Changes to Project Scope

The Council Project Team, in consultation with Monifieth High School Management Team have already carried out Value Engineering to minimise project costs. Reducing the project scope further through lower cost specifications or not delivering specific elements of the project to allow cost reductions will negatively impact the project objectives. It is not recommended to progress with reducing the project scope as it would reduce the quality of the new building.

Utilise Capital Budget Contingency Provision

The capital budget contingency provision is currently at £5.7m to cover risks in this financial year and up until 2026/27. 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 reduce capacity to cover other eventualities including any emergency projects which might be required in the next 4-5 years. Notwithstanding the need to utilise the contingency provision cautiously, it is recommended that £1.7m of this funding be utilised towards the funding gap given the importance of this project leaving a balance of £4.0m.

Developer Contributions

Developer contributions have been secured towards the provision of additional capacity in the education estate in the Monifieth catchment. A review of the current position on received contributions has identified an additional £0.3m which can be directed towards this project, giving a total of £2.7m of Developer Contributions. As outlined previously there may be additional funding through developer contributions which has been secured through legal agreements but not yet received as the development has yet to commence or appropriate trigger dates reached. This position will be monitored and reflected through project updates and monitoring.

Use of Climate Carbon / Reduction Reserves Provision

The 2023/24 revenue budget setting agreed a £1.0m provision for "Investment in Climate Change / Net Zero / Biodiversity" (Report 57/23, Appendix A refers). The Passivhaus provisions within the project have been subject of significant inflationary pressure as with the project generally. In light of the reduced energy consumption and environmental benefits through Passivhaus, it is proposed to use £0.25m of the £1.0m provision towards the project leaving a £0.75m provision balance.

Uncommitted General Fund Reserves

The 2023/24 revenue budget setting highlighted an uncommitted General Fund Reserve of £3.769m (Report 57/23, Appendix B refers - as amended by the Administration Motion). It is proposed to use £3.25m of this towards the project, leaving an uncommitted General Fund Reserve of £0.519m. It is, however, highlighted that the latest Revenue Monitoring 2022/23 report, on the Agenda for this meeting, projects an adjusted underspend of £4.987m. This represents an increase of £3.095m from that projected at the point of the 2023/24 revenue budget setting and would, should it outturn as projected, increase the uncommitted General Fund Reserve back to £3.614m at 2022/23 financial year end (£0.519m + £3.095m).

Reprioritise Existing Capital Budget

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 2024/25 to 2026/27. As such, two proposals are identified and set out below:

- Tay Cities Funding – It is proposed to reduce this funding by £0.1m. This will reduce the total provision within the Capital Plan from £2.58m to £2.48m which is considered manageable given the current status of the Council's Tay Cities Deal projects.
- Angus Schools for the Future – The remaining balance of capital funding for the Council's learning estate programme is £2.0m. It is proposed to reduce this balance to nil and utilise all remaining funding for the Monifieth Learning Campus. This will

significantly impact the Council's ambitions as set out in the Schools for the Future Strategy. A thorough review of this strategy is now being undertaken and will be reported to the Children and Learning Committee in June 2023.

- 6.12 Based on the proposals above, the estimated additional £10.5m cost to deliver the project would be funded as follows:

Funding Proposal	Value £m
Additional Funding Support from SFT	2.90
Use of Capital Contingency	1.70
Additional Developer Contributions	0.30
Use of Climate / Carbon Reduction Reserves	0.25
Use of Uncommitted General Fund Reserves	3.25
Reprioritise Existing Capital Budget	2.10
TOTAL	10.50

- 6.13 The proposals set out above would result in a total funding package as follows:

	Report 60/23 £m	This Report £m	Change £m
Gross Cost	56.00	66.50	10.50
Early Years Expansion Funding	(0.50)	(0.50)	0
Developer Contributions	(2.40)	(2.70)	(0.30)
General Fund Reserves	0	(3.50)	(3.50)
Gross Borrowing	53.10	59.80	6.70
SFT Notional Capital Funding	(25.67)	(28.57)	(2.90)
Notional Net Borrowing	27.43	31.23	3.80

- 6.14 It may be noted from the table above that the notional net borrowing for the project has increased by £3.80m. This increase is being addressed through the use of Capital Contingency (£1.7m) and reprioritisation of the existing capital budget (£2.1m) as set out in paragraph 6.12. This provides an equivalent compensating reduction in capital expenditure and ensures, therefore, that there is no overall increase in the level of capital expenditure or borrowing from that contained within the Long Term Affordability of the General Fund Capital Plan report, approved at the Special Angus Council meeting on 2 March 2023 (Report 60/23 refers). On the basis of the assumptions in Report 60/23, and the funding proposals above, the Council's 2022/2027 Capital Plan therefore continues to be considered to be affordable, prudent and sustainable.

Other Financial Considerations

- 6.15 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 £150,000 - 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.
- 6.16 Due to the improved energy efficiency targets of the new building the overall energy use of the building per square meter will significantly reduce. Expected operational energy use has been developed as part of the design. While the energy efficiency improves the new building has a larger footprint and as such a larger area to service. In addition, the fuel source for heating and hot water is electricity rather than gas. There is therefore no estimated financial saving through energy in net terms.
- 6.17 The LEIP outcomes require the building to remain in Condition A or B to achieve the maximum funding. In addition, the LEIP Programme requires increased building systems to provide the building ventilation and the energy efficiency. As such it is estimated there will be increased maintenance costs of £34K per annum from summer 2026. This will require to be reflected within future year's budget setting from 2026.

6.18 As noted within 6.13 above the funding includes an allowance of £2.7m of Developer Contributions. £2.3m of these contributions have been confirmed. Any increase to the £2.7m funding allowance will allow for the reduction of other Council funding sources.

6.19 The development of the project design to its current stage has incurred the following costs:

Contractor / Consultant Fees:	£1.70m
Site Investigations / Surveys:	£0.17m
Statutory Fees:	£0.15m
Project Management Costs:	£0.10m

TOTAL:	£2.12m
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These costs are included in the overall budget noted within item 6.4 above. If the project was not to progress at this point, these costs would not be recovered.

7. RISKS

7.1 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 The final project costs will not be fully established until Financial Close and there is a risk the current estimated maximum cost will not be achieved.

7.3 The project programme, as noted within 5.4 above, allows the completion of Phase 1 in Summer 2025. Any delay to completion of Phase 1 beyond December 2025 may impact the LEIP funding for the project.

7.4 As noted within 6.6 above, the costs provided include construction inflation throughout the project. The Council will retain risk on any requested variations; any unknown asbestos within the existing building; and ground conditions below the existing building footprint. It is noted these risks are in-line with previous similar projects to construct new school buildings.

7.5 The level of funding from Scottish Government, outlined within 6.10 above, is based on previously confirmed funding and updates on percentage increases expected. Confirmation of the increased funding for the project is subject to approval by Scottish Ministers. An update is expected prior to entering in to the project agreement but if this is not available the Council will need to progress at risk. This risk is considered low based on the position agreed by the SFT Board.

7.6 The funding for the project includes an element of developer contributions. The developer contributions have time limits for expenditure with the first significant contribution of £1.48m requiring to be used by July 2023. If the decision was to abandon the new build project, there are no alternative projects this funding could be used for prior to the July 2023 deadline.

7.7 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 programmes, support from 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.

Funding Category	Risk Mitigation
Condition	The design of the facility has been 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. The design has been modelled to achieve the energy target required for funding. Significant user training will be required together with increased building commissioning to ensure the estimated energy use is achieved.
Digital Enabled Learning	The design of the facility has been specified and developed to meet the requirements of the funding target. The digital infrastructure has been developed to address the school digital strategy.
Economic Growth	A Community Benefits plan which addresses the funding target has been developed and is being monitored. The achievement of the agreed funding targets will be included as part of the Project Agreement.

8. EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact Assessment has been carried out and is attached.

9. CONSULTATION

9.1 The Deputy Chief Executive and the Director of Legal and Democratic Services have been consulted in the preparation of this report. Any comments made by them are reflected within the body of this paper.

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 222/21, Angus Council, 24 June 2021
- Report 152/22, Policy & Resources, 21 June 2022
- Report 41/23, Angus Council (Special), 02 March 2023
- Report 60/23, Angus Council (Special), 02 March 2023

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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): The construction of a new high school for Monifieth.

Step 2

Is this only a **screening** Equality Impact Assessment

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

Is this a Fairer Scotland Duty Assessment

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:

Infrastructure and Environment for the Procurement of the building.

(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 elected members with an update on the proposed Monifieth Learning Campus project. In particular, it highlights an increase to the previously agreed budget and seeks permission to progress with the project with a revised funding package.

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

Is it a review of e.g. an existing budget saving, report, strategy, policy, service review, procedure or function? Yes Please indicate

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

Please indicate all which apply:

Employees	Yes
Job Applicants	No
Service users	Yes
Members of the public	Yes

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).

Financial reports.
Building condition assessments.
Schools for the Future Programme
ELC Expansion

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

Regular consultation with Project Board.

Consultation with the Director of Finance and other members of CLT.

Engagement with school staff and learners.

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

Benchmarking against similar projects elsewhere.

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

Partner agencies for design and construction.

Other (general information as appropriate).

Step 6: Evidence Gaps.

Are there any gaps in the equality information you currently hold? 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 and negative – some children and young people

The proposal is to continue with the project so there will be no detriment to any age group who will directly benefit from the construction of a new school.

In order to continue with the project it will be necessary to divert funding from the wider Schools for the Future Programme. This will significantly reduce our capacity to carry out major projects elsewhere in Angus. In mitigation of this, it should be noted that once this project is complete all Angus schools will have achieved Condition A or B, which is the nationally-set target for all learning estate buildings. Some capital and revenue funding will remain available for maintenance purposes. We will ensure the use of this funding is prioritised to where it is most needed.

Disability

Impact - positive

The proposal is to continue with the project. The new facilities will provide enhanced accessibility and facilities within the building.

Gender reassignment

Impact – positive

The proposal is to continue with the project. The new facilities will provide a range of sanitary facilities within the building, including individual uni-sex facilities.

Marriage and Civil Partnership

Impact – no known impact

Pregnancy/Maternity

Impact – no known impact

Race - (includes Gypsy Travellers)

Impact – no known impact

Religion or Belief

Impact – no known impact

Sex

Impact – positive

The proposal is to continue with the project. The new facilities will provide a range of sanitary facilities within the building, including individual uni-sex facilities. The range of available facilities will allow young people to choose the type of toilet to use which they feel safe within.

Sexual orientation

Impact – no known impact

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.

N/A

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)?

Set out in the section above and below.

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

In mitigation of this, it should be noted that once this project is complete all Angus schools will have achieved Condition A or B, which is the nationally-set target for all learning estate buildings. Some capital and revenue funding will remain available for maintenance purposes. We will ensure the use of this funding is prioritised to where it is most needed.

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

The original rationale for delivering a new secondary school in Monifieth has not altered. There continue to be concerns about the condition of the building and a likely requirement for significant investment to address maintenance concerns in coming years. The current school environment is not considered optimal for learners at present and the school is rated C for 'Suitability.' This is below the national target of an A/B grading.

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?

It advances equality of opportunity for young people with disabilities by providing additional accessibility and facilities.

It eliminates unlawful discrimination and advances equality of opportunity for those young people identifying as transgender by providing individual toilet facilities

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?

The EIA will be updated, if necessary, as the project develops.

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

Alongside the Committee Report.

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

Prepared by: Beth Reader, Manager – Support Services, 30 March 2023

Reviewed by: Doreen Phillips, Senior Practitioner (Equalities), 31 March 2023

Approved by: Kelly McIntosh, Director of Education and Lifelong Learning, 30 March 2023

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