

COMMUNITY SERVICES ASSET MANAGEMENT PLAN 2018/19 and 2019/20

1.0 EXECUTIVE SUMMARY

- 1.1 Community Services Asset Management Plan ensures the Council is making best logistical and economic use of its assets. The asset management plan for 2018 – 20 supports the delivery of the Argyll and Bute Outcome Improvement Plan 2013 – 2023 and the overarching aim that Argyll and Bute’s economic success is built on a growing population. The Community Services Asset Management Plan (SAMP) adheres to the process laid out in the Council’s Corporate Asset Management Strategy. The SAMP was compiled in September 2017 using current data and follows regular assessments of the suitability and condition of the department’s assets. The SAMP reflects the ownership of the departments assets post the launch of Live Argyll the Libraries and Leisure Trust on 2 October 2017. The SAMP for 2018/19 and 2019/20 lays out the requirements for the delivery of improvements to the department’s capital assets and the delivery of safe, efficient fit-for purpose education establishments and buildings which support learning and allow us to provide a quality services to all of our children, young people and adults.
- 1.2 The 2018/19 to 2019/20 capital programme will continue to include works to address the condition issues of the departments assets informed by the surveys carried out by Facility Services. The budget for Education capital projects is managed at programme level with any over/underspends being contained within the overall programme without the need to request virement.
- 1.3 The Council has no plans to review the school estate at this time and asset sustainability projects for schools will continue to target both suitability and condition issues. Service development projects included in the programme for 2017/18 and 2018/19 are in response to the Scottish Government Policy to introduce 1140 hours pre school education for 3 and 4 year olds and 2 year olds from households in receipt of qualifying benefits. Strategic change programmes underway include the new school projects for Campbeltown Grammar School and Oban High School and, the refurbishment of Dunoon Primary School.

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2.0 INTRODUCTION

- 2.1 The Community Services Asset Management Plan identifies the capital requirement for the delivery of and improvements to the departments' assets. Elected Members approved the capital allocation for 2018/19 at the Council meeting on 23 February 2017. This report provides members with an update of the 2018/19 capital budget requirements and identifies the department's capital requirements for 2019/20. "Live Argyll" the Library and Leisure Trust have prepared a separate report and recommendations for Council.
- 2.2 Community Services Asset Management Plan ensures the Council is making best logistical and economic use of its assets to achieve the outcomes in the Council's corporate plan and the department's service plans. The asset management plan for 2018 - 2020 supports the delivery of the Argyll and Bute Outcome Improvement Plan 2013 – 2023 and the overarching aim that Argyll and Bute's economic success is built on a growing population. Investment in the department's assets will enable the Community Planning Partnership to achieve the following long term outcomes:

Outcome 3 – Education , skills and training maximises opportunities for all

Long term objective:

- Everyone in Argyll and Bute is supported to be ambitious and realise their full potential
- Our young people are supported to be more confident, resilient and skilled to manage the transition from school to further education, training and employment.
- Skills and support are provided for our residents to progress in their working and learning lives.

Outcome 4 – Children and young people have the best possible start

Long term objective:

- Children and young people have accessible and positive learning environments.
- Children and young people have equality of access to play, physical education, physical activity and sport.

- 2.3 The Community Services Asset Management Plan (SAMP) adheres to the process laid out in the Council's Corporate Asset Management Strategy. The SAMP was compiled in September 2017 using current data and follows regular assessments of the suitability and condition of the department's assets. The SAMP reflects the ownership of the department's assets post the launch of Live Argyll.

- 2.4 The SAMP for 2018/19 and 2019/20 lays out the requirements for the delivery of improvements to the department's capital assets and the delivery of safe, efficient fit-for purpose public buildings which enhance service delivery and allow us to provide a quality services to our customers. The capital plan focuses on projects of 3 particular types, namely:

'Asset sustainability' – with a focus on maintaining or investing in the physical fabric of the building. These projects ensure existing assets are fit for purpose/continue to be fit for purpose based on existing use.

'Service development' – with a focus on enhancing the current asset to improve its fitness for purpose or its efficiency and effectiveness. Service development covers construction/acquisition of new assets to replace existing assets on a like for like basis or investment in assets to enhance service delivery based on existing use. The requirement for this investment would be driven by service, area and corporate priorities. Projects in this category are typically under £1,000,000 in capital costs.

'Strategic change' – with a focus on a significant investment across the service asset portfolio to support fundamental service development. Projects classified as Strategic Change would be where the new asset replaces a number of different existing assets including bringing a range of different services in to the same asset or a structurally significant investment in terms of the corporate plan. The requirement for this investment would be driven by corporate priorities. Projects in this category would typically be at least £1,000,000 in capital costs.

3.0 DETAIL

- 3.1 The Community Services department's building assets provide the base from which statutory education functions are delivered and community learning is provided to serve local communities.
- 3.2 The launch of the Libraries and Leisure Trust Live Argyll in October 2017 saw the Council retain ownership of the library, leisure and community halls with the trust having a licence to occupy these buildings. Live Argyll have produced their own Asset Management Plan for members consideration.
- 3.3 Education is the only service remaining within the Community Services Department as the remaining services within the Community and Culture portfolio (housing, adult learning and community planning and development) have been transferred to other services within the council. Housing transferred to Planning and Regulatory Services, Adult Learning was subsumed within Education and, Community Planning and Development transferring to the Chief Executive's Service.
- 3.4 The Education service now covers early learning and childcare, primary and secondary education, including additional support needs, educational psychology, Developing Scotland Young Workforce, Gaelic education, youth services and adult learning. There are 3 education offices, 72 primary schools, 5 secondary schools, 4 x 3-18 schools, 1 joint campuses, 7 Gaelic medium units, 1 learning centre for pupils with additional support needs, 2 early learning and childcare centre, 2 adult learning centres and 21 school houses.

3.5

To support the provision of all of these services, the objective is to provide attractive, safe and secure premises, in good order, with adequate heating and ventilation and which will inspire learners and meet both the various statutory and regulatory authorities' requirements. Currently, as a result of limited capital and revenue budgets, expenditure is targeted at property condition issues, however there needs to be an awareness of the impact of poor suitability ratings, particularly if they result in any noncompliance of regulatory authority requirements. This is particularly challenging as many of the properties were inherited at the time of local government re-organisation and were not designed with current approaches to service delivery in mind nor do they have the flexibility in terms of their construction to be easily modified to do so.

3.6

Facility Services provide a support service to the department by managing the department's property assets including energy and carbon management and provide an estates service in relation to acquisition, disposal and leasing of property. The overall aim is to make the most efficient and effective use of the available assets, and to minimise the requirement to use leased assets. In addition where properties become surplus they are quickly identified for possible transfer to partner agencies, or alternatively marketed for disposal.

3.7

The ICT Service manages the department's ICT assets and detailed within the ICT Group Asset Management Plan are the forthcoming requirements for the service. Schools continue to benefit from the Education Domain Expansion, access to GLOW2, centralised ICT Support and the corporate PC replacement programme. ICT will continue to seek innovative ways to support the delivery of Education services such as the deployment of Lync to schools and support in the take up of G-Suite and Chrome books.

3.8

In addition to building and ICT assets, Community Services has works of art. The aggregate value of these is £1,257,705.

This total is made up of 3 collections of paintings:

- The Anderson Trust Collection* - £122,720. (Last valued 2015)
- Library and Museum Collection - £432,700. (Last valued 2015)
- Education Collection - £702,285. (Last valued 2016)

Associated with these works of art are museum exhibits insured for £519,605.

* The Anderson Trust Collection is not owned by the Council who look after it and insure it. This is a historical arrangement going back to the days of Dumbarton District Council.

4.0 STATUTORY REQUIREMENTS

4.1

The following acts and regulations provide the legislative framework for the delivery of the services within the department:

- Education (Scotland) Act 2016
- Education (Scotland) Act 1980
- Education (Additional Support for Learning) (Scotland) Act 2009
- Children and Young Persons (Scotland) Act 2014
- Public Bodies (Joint Working) (Scotland) Act 2014

- Schools Consultation (Scotland) Act 2010
- Standards in Scotland's Schools etc. Act 2000
- Scottish Schools (Parental Involvement) Act 2006
- Protection of Children (Scotland) Act 2003
- Regulation of Care (Scotland) Act 2001
- Care Inspectorate Requirements
- Education Scotland Requirements
- Fire Scotland Act 2012
- Health and Safety and Work Act 1974
- Electricity at Work Regulations
- Legionella - Approved Code of Practice
- Control of Substances Hazardous to Health Regulations
- Equalities Act 2010
- Land Reform Act 2003

4.2 There are new and emerging legislative duties in the term of the current Council which will impact on its potential use of assets, notably the:

- The Scottish Government has stated that it is committed to expanding the provision of funded Early Learning and Childcare (ELC) from the current 600hrs to 1140 hours by 2020, details of the expansion are contained within the Scottish Government's publication 'A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland' (March 2017). The Education Service submitted a draft Delivery Plan which provided the framework for the expansion to the Scottish Government on 29th September 2017. The draft Delivery Plan included a section which details the infrastructure requirements to meet the proposed expansion. Following submission of the draft Delivery Plans the Scottish Government will meet with local authorities to discuss the Plan further. Following this work it is anticipated that indicative funding amounts will be agreed to allow for planning towards the infrastructure expansion that is required.
- The Education (Scotland) Act 2016, passed by the Scottish Parliament on 2nd February 2016 introduced provisions in relation to school education covering new statutory duties to raise attainment and address educational inequalities of outcome for pupils. The Act also contains provisions that modify the Education (Additional Support for Learning) (Scotland) Act 2004 and section 70 of the Education (Scotland) Act 1980; provisions in relation to Gaelic Medium Education, the provision of school meals, the appointment of Chief Education Officers, the registration of independent schools and teachers in grant-aided schools and the standards of education and training of persons to be appointed as Head Teachers. It is wide ranging Act that enables provisions to be made requiring a minimum number of hours of school education to be provided, enables provisions to be made about school clothing grants; extends the duty to provide early learning and childcare to certain children; and for connected purposes.
- The 2017 document "The National Improvement Framework for Scottish Education: Achieving Excellence and Equity", published in December 2016

set out four National Priorities for Education. They are:

- Improvement in attainment, particularly in literacy and numeracy;
 - Closing the attainment gap between the most and least disadvantaged children;
 - Improvement in children and young people's health and well-being, and
 - Improvement in employability skills and sustained, positive school-leaver destinations for all young people.
- The Scottish Government have announced proposals following the analysis of the consultation responses entitled "Education Governance: Next Steps". The proposals are significant and wide ranging. The future role for Local Authority's is defined in the Next Steps document as consisting of:
 - The provision of support services (supply of school buildings, administering placing requests; planning for future requirements; appointing Head Teachers);
 - The provision of HR Services; and be the employer of the staff in schools and early learning establishments;
 - Supporting the provision of early learning and childcare in Council and commissioned provider establishments
 - Being accountable to local communities for the provision of education support services;
 - Appointing a Chief Education Officer;
 - Adopting a new duty to collaborate to support improvement on a regional basis;
 - Being responsible for improvement through the provision of support services, their regional collaboration and securing leadership in schools;
 - Collaborate with other local authorities through the provision of staffing to work in regional improvement collaborations;
 - Ensure other council services work effectively with schools and regional improvement collaboratives;
 - Continue to channel the vast majority of funding for school education ensuring that it is properly accounted for.

The detail of how these elements are designed and implemented will be determined by the new Education Bill to be consulted on during 2018.

5.0 CURRENT DEVELOPMENTS

- 5.1 The Council currently has 4 strategic change projects in Scotland's Schools for the Future (SSF) programme; the redevelopment of Campbeltown Grammar School and Oban High School, which are Design, Build, Finance and Maintain (DBFM) project, and Dunoon Primary School which is being progressed through a Design, Build and Development Agreement (DBDA) procurement route.
- 5.2 HubNorth Scotland Ltd, is the Council's project partner on all three school projects. In total, the three SSF projects are expected to see an investment of approximately

£80.5m in the school estate within the next 2 years. Construction work is now underway on each site and the works are progressing well.

- 5.3 The secondary school projects are much larger in scale and are being constructed over two phases. Phase 1 for both schools is the construction of the new secondary school buildings that are both due to open in 2018 - Campbeltown Grammar in February 2018 and Oban High in April 2018. Following the occupation of the new school buildings, the second phase of the works on both sites commences and will include the demolition of the existing school buildings and the construction of enlarged car parking and external landscaping. The practical completion dates for Phase 2 on each site are November 2018 for Campbeltown Grammar and January 2019 for Oban High School.
- 5.4 The Dunoon Primary School project reached its Contract Close in July 2017. This school project will be completed over 4 phases taking just under 2 years to complete. This is a complex project as the existing primary school has to remain operational on its existing site throughout the construction phases. Phase 1, the site set up and construction of a temporary school kitchen has commenced and is due to be completed in September 2017. This will be followed by Phase 2 the refurbishment of the existing West Wing. During Phase 2, pupils and staff are occupying the existing East Wing with Early Learning and Childcare (ELC) children and staff decanted to the Kirn ELC at Dunoon Grammar School, and ESCAPE (after school care) decanted to the Girl Guiding Hall, Dunoon.
- 5.5 On the completion of Phase 2, programmed for May 2018, pupils and staff will return to the refurbished West Wing. Phase 3 (the demolition of the existing East Wing) and Phase 4 (the construction of the new East Wing) will take place. The overall completion date for Phase 4 is April 2019. The new East Wing will accommodate the ELC facilities, School Library, Gym Hall, Family Centre, Staffroom and Staff Base. On the completion of Phase 4, Dunoon ELC children and staff and ESCAPE will return to Dunoon Primary School to occupy their new accommodation. By June 2019, the site compound and hoardings will be removed and the school completely handed over to the Council.
- 5.6 Other projects include, the Health and Safety Executive Approved Code of Practice (ACOP) L8 'Legionnaires' disease – The control of legionella bacteria in water systems' was revised in 2013. Water quality/Legionnaires is a key consideration in terms of asset management and Argyll and Bute Council has subsequently conducted a robust re-assessment of risks in water systems throughout its entire estate (circa 400no. premises with water systems). Funding has been secured and Community Services is therefore looking to continue with the necessary risk remediations in their property assets in the short term (2-3 years).
- 5.7 The Children and Young People's (Scotland) Act 2014 introduced new requirements for Early Learning and Childcare. The introduction of additional and increased flexible childcare provision will prove a challenge to modify existing facilities. Pilot projects are currently underway introducing flexible provision in a number of units which is tailored to the parents' individual needs. The introduction of 1,140 hours of childcare availability will pose a further challenge and the Scottish Government are reviewing the Education Services draft delivery plan which outlines the capital works required to ensure our early years establishments are able to deliver the increased provision.

- 5.8 The Education (Scotland) Act 2016 laid down provisions in relation to Gaelic medium education which will have an impact on capital funding if new projects are to be taken forward under the Act. We have been fortunate to secure funding from the Scottish Government for two projects, during 2017, the creation of a Sgoil Araich at Sandbank Primary School and the introduction of Gaelic medium education at Bunessan Primary School. There are no further projects anticipated at this time.

6.0 ANTICIPATED DEVELOPMENTS WITHIN THE NEXT FIVE YEARS

- 6.1 The Council faces an extremely challenging financial outlook with reductions in public spending and population decline both having a significant impact on capital funding. Within this context of reduced budgets the department is looking to progress capital projects in response to legislative changes and future service demands.
- 6.2 The new Education Act to be consulted on during 2018 has the potential to fundamentally change the role of local government in the governance and management of Education Services and therefore the school estate.

7.0 FINANCIAL PLANNING FOR CAPITAL AND REVENUE NEEDS

- 7.1 In the current financial climate concerns exist over the continued availability of capital budgets at a level which has been available in previous years. Any reduction will result in increased risk of building and building component failure and hence the likelihood of interruption to service delivery will increase. All available options will be pursued to identify alternate funding options including prudential borrowing and the speedy disposal of surplus assets. Additionally all necessary steps require to be taken to cut revenue costs and to ensure that the cost of leasing properties is reduced.
- 7.2 The current capital programme is based on the allocations for the period 2017-2018 and 2018–2019 agreed by Council in February 2017. Circa 50 individual projects are forecast to be either underway or completed by 31 March 2018. The majority of these projects are asset sustainability projects for the education service addressing condition issues. For 2018/20 in addition to the projects being put forward in the asset sustainability category to reflect the work necessary to prevent further deterioration to the fabric of the buildings, projects are also being proposed which will address suitability issues in our schools to ensure we have a teaching environment which supports the delivery of Curriculum for Excellence. It should be noted that in the absence of adequate funding many buildings and building elements are deteriorating at a rate which may not be able to be addressed by the current level of capital and revenue (maintenance) expenditure and this is beginning to impact on our inspection gradings. This will continue unless the number of properties is reduced or the capital and revenue budget is increased.
- 7.3 Wherever possible consideration is being given to ensuring that any work undertaken has a positive impact on future revenue streams. Examples include upgrading roof insulation whenever roofing works are being undertaken and the move to more energy efficient light fittings as part of rewiring contracts, this work will improve our carbon management.

7.4 The Climate Change (Scotland) Act 2009 places duties on public bodies with respect to climate change and in particular to contribute to carbon emissions reduction targets; contribute to climate change adaptation; and to act sustainably. The Act includes a national emissions target, set for the year 2050, for a reduction of at least 80% from the baseline year (1990). A Statutory Order under section 46 of the Act requires public bodies to annually report on compliance with the climate change duties.

7.5 In support of the Act, the key areas to contribute to carbon emissions reduction within the Education estate are implementation of energy/water efficiency measures and installation of renewable technologies. These are delivered through a combination of prudential borrowing (spend to save), traditional capital and revenue funded programmes/projects.

7.6 Argyll and Bute Council's Renewable Sourcing Strategy included an evaluation of the most appropriate renewable technologies to implement and a strategic overview of all property assets to determine where these preferred renewable technologies might be best installed.

7.7 As a result, 18 schools/pre-5 units now have roof mounted solar photovoltaic panels with a total installed capacity of 1.1MW. Furthermore, Bowmore PS and Islay HS are now both supplied by low carbon heat from a biomass boiler using locally sourced wood fuel and wood pellet biomass boilers have been installed at a further 9no. schools and a hostel. Next stages include preparing business cases for biomass low carbon heating solutions at the remaining 4no NPDO schools.

7.8 These installations have largely been funded on a spend-to-save basis with supportive income from the governments Feed-in-Tariff (FIT) and Renewable Heat Incentive schemes (RHI). Opportunity to access Feed-in-Tariff income is now much reduced given a significant uptake in the scheme. Renewable Heat Incentive is also subject to similar tariff degeneration. Income support for renewable project deployment in future therefore is subject to considerable uncertainty and this may impact on the Council's ability to deliver renewables projects on a value for money basis.

7.9 Renewables are however only one way of reducing carbon emissions and costs. The next 2-3 years will see resource allocated to a range of lower cost, best practice programmes to improve carbon management and reduce costs. Key considerations for the next delivery period include:

- Water Management/Efficiency
- Waste Water Asset Reviews
- Refreshed Programme of Energy Audits
- Energy Efficiency Training
- Support for School Eco Groups/Initiatives
- Behavioural Change Initiatives
- Energy Efficiency Projects (Small Scale)
- Building Management System (BMS) Improvements
- Further integration of energy/water/carbon best practice into capital projects

- Utility Meter Read Programme
- Improved Reporting of Energy/Water Use.
- Review of District Heating Opportunities
- Exploration of Community Partnering Opportunities

7.10 In response to the approval of the Dunbeg Development Master Plan in April 2017 the Education Services has been reviewing the capacity of Dunbeg Primary school and are monitoring the school roll and looking to maximise current occupancy. The service is reviewing the potential to release more capacity from the proposed Early Years expansion to deliver 1,140 hours, this will however be dependent on the success of the funding proposal presented to the Scottish Government to fund the delivery of 1,140 hours. The service is also reviewing the process of registration to prioritise catchment children if necessary and investigating the potential for modular accommodation and / or a permanent extension. Costs for such have been included within the proposed capital programme and the Early Years delivery plan.

7.11 In summary, the 2018/19 to 2019/20 capital programme will continue to include works to address the condition issues of the department's assets informed by the surveys carried out by Facility Services. The service development projects proposed in the plan reflect the programme of works required to introduce 1140 hours Early Learning and Childcare which should be funded by Scottish Government. Strategic change programmes underway or planned include the new school projects for Campbeltown Grammar School and Oban High School and, the refurbishment of Dunoon Primary School.

8.0 RISKS

8.1 The 2018 to 2020 capital plan has been developed to minimise the risk of disruption to service delivery, and concentrates on the need to keep the fabric of Community Services properties in a wind and weather-tight condition, with mechanical and electrical services being upgraded as required in order that they are fit for purpose when assessed by modern day standards. In addition, the requirements of the Regulatory Authorities will be met. Projects are being taken forward to address the suitability of assets to ensure they meet the aspirations of the services to provide buildings that inspire and support 21st century learning.

8.2 The Education Services have allocated all asset sustainability projects a high, medium and low priority ranking on an assessment of the condition and suitability requirements for each property. High priority projects should be completed by 2019-2020 however due to the limited funding available some high priority projects will be required to be delivered in 2020-21 and medium priority projects in 2020-21 and 2021-22. Low priority projects have not yet been allocated within the five year horizon of this SAMP.

8.3 The reduced amount of capital budget available and the uncertainty over future capital budgets increases the risk to service delivery and to the effective management of building assets. The current level of capital investment allied to inadequate revenue funding when applied to the existing property portfolio is insufficient to allow for all the necessary improvements to both asset condition and suitability. Any

reduction in budgets without a reduction in the number of assets may lead to a more rapid decline in condition and suitability and hence increase the risk of disruption to efficient service delivery.

8.4 The condition of our assets is beginning to reflect the inspection gradings received by both Education Scotland and the Care Inspectorate.

9.0 IMPLICATIONS

9.1 Policy: prepared in line with the Council's Corporate Asset Management Strategy and Policies.

9.2 Financial: outlines the proposed capital budget for Community Services for 2018/19 and 2019/20

9.3 Legal: none

9.4 HR: none

9.5 Equalities: none

9.6 Risk: failure to invest in the departments assets may lead to a rapid decline in condition and suitability and hence increase the risk of disruption to efficient service delivery and a failure to meet the statutory requirements.

9.7 Customer Services: improving the condition and suitability of our assets will lead to increased customer satisfaction.

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Appendices – Detailed Service Information

Appendix 1 – Detailed Asset Performance Data for Community Services
Appendix 2 – Community Services Proposed Budget 2018-20

(appendices will be made available on request)