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Council Building
2 High Street
Perth
PH1 5PH

06/06/2022

A meeting of the **Property Sub-Committee** will be held virtually on **Monday, 13 June 2022** at **10:00**.

If you have any queries please contact Committee Services on (01738) 475000 or email Committee@pkc.gov.uk.

THOMAS GLEN
Chief Executive

Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.

Please note that the meeting will be broadcast online and recorded. The recording will be publicly available on the Council's website following the meeting.

Members:

Councillor Grant Laing (Convener)
Councillor Eric Drysdale (Vice-Convener)
Councillor Peter Barrett
Councillor Andy Chan
Councillor Dave Cuthbert
Councillor Angus Forbes
Councillor Tom McEwan

Property Sub-Committee

Monday, 13 June 2022

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

- 1 WELCOME AND APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTE OF MEETING OF PROPERTY SUB-COMMITTEE OF 16 MARCH 2022** 5 - 6
(copy herewith)
- 4 LEARNING ESTATE PROGRAMME - PROGRESS REPORT** 7 - 22
Report by Executive Director (Education and Children's Services)
(copy herewith 22/121)

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PROPERTY SUB-COMMITTEE

Minute of meeting of the Special Property Sub-Committee of the Strategic Policy and Resources Committee held virtually on Wednesday 16 March 2022 at 1.00pm.

Present: Councillors M Lyle, R McCall, A Bailey, S Donaldson (substituting for G Laing) and W Wilson.

In Attendance: K Farmer, R Jobson and C Rowan (all Communities); A Thomson, C Irons, A Brown and M Pasternak (all Corporate and Democratic Services).

Apologies: Councillors G Laing, T McEwan and C Shiers.

Councillor M Lyle, Presiding

1. APOLOGIES/SUBSTITUTES

Apologies and a substitution were noted as above.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Councillors' Code of Conduct.

IT WAS AGREED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973

P1. PROPOSED DISPOSAL OF 1.21 HECTARES OF INDUSTRIAL LAND (SITE 5), KINROSS WEST, KINROSS

There was submitted a report by the Head of Planning and Development (22/59) seeking approval to dispose of Site 5, Kinross West, Kinross which is part of the Council's Commercial Property Investment Programme.

Resolved:

The disposal of 1.21 hectares of industrial land (site 5), Kinross West, Kinross on the terms as detailed in Report 22/59 and otherwise on terms to be agreed by the Head of Planning and Development and the Head of Legal and Governance, be approved.

PERTH AND KINROSS COUNCIL

PROPERTY SUB-COMMITTEE

13 JUNE 2022

LEARNING ESTATE PROGRAMME – PROGRESS UPDATE

Report by Executive Director (Education and Children’s Services)

(Report No 22/121)

1. PURPOSE

- 1.1 This report updates the Property Sub-Committee on the progress for delivering the current major projects within the Education and Children’s Services (ECS) Learning Estate Programme. It details key milestones which have been achieved since the last update to Property Sub-Committee on 10 January 2022 ([Report No. 22/2 refers](#)).

| | |
|--------------------------|--|
| 2. RECOMMENDATION | |
| 2.1 | <p>It is recommended that the Committee:</p> <ul style="list-style-type: none"> • Notes the significant milestones achieved since the previous Property Sub-Committee meeting held on 10 January 2022: <ul style="list-style-type: none"> ➤ As part of the Early Learning and Childcare (ELC) expansion and infrastructure plan, the nursery extension at Rattray Primary School has been completed (6.3); ➤ The planning application for the new build Perth High School has been approved (6.4); and ➤ Construction works for the North Muirton/Balhousesie Primary School project continue to progress well. Lifelong Learning Committee approved the proposal to name the new combined primary school Riverside Primary School (6.5). • Notes that project teams continue to manage the impact of Brexit/COVID-19/Construction supply capacity, and the war in Ukraine, on projects. |

3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Progress
- Section 6: Updates on Current Programme
- Appendices

4. BACKGROUND

- 4.1 The [Learning Estate Strategy](#) (November 2021) ([Report No. 21/202 refers](#)) sets out the Council's aspirations for our schools, and in particular, the high value we place on learning, through our vision for well designed, maintained and managed schools.
- 4.2 The strategy is delivered through the [Learning Estate Management Plan](#) (LEMP), approved by Lifelong Learning Committee in November 2021, which is primarily funded through the Council Capital Programme.
- 4.3 The ECS Capital Programme details the priorities for the Learning Estate until 2028 and is reviewed on an annual basis.

5. PROGRESS

- 5.1 This report updates Committee on the progress for delivering the current projects within the ECS Learning Estate Programme. The focus of the programme is on:
- ELC Expansion;
 - Primary School Upgrades/Replacements;
 - Secondary School Upgrades/Replacement; and
 - Recreation Centre Development.
- 5.2 In March 2020, construction activity stopped across all projects as a result of the COVID-19 pandemic. Design work continued, where possible, on projects still in the pre-construction phase. The long-term impact of the pandemic to project timescales is yet to be fully understood, but there is an expectation that new methods for working will result in extended construction programmes and associated possible increases in costs exacerbated by supply chain uncertainty. The impact of Brexit/COVID-19/construction supply capacity, and the war in Ukraine, is yet to be determined but there is currently an increase in tender and material prices being experienced on projects across the country.
- 5.3 Project Teams have regular dialogue regarding options and solutions to manage the impact of the changing situation. Work is constantly undertaken to develop various business continuity approaches in response to the ongoing pandemic.

6. UPDATES ON CURRENT PROGRAMME

- 6.1 Detailed updates on all current projects are provided in Appendix A.
- 6.2 The following is an update on significant project milestones since previously

reported to the Property Sub-Committee on 10 January 2022.

6.3 Early Learning and Childcare Expansion

6.3.1 As part of the ELC Plan ([Report No. 17/314 refers](#)), various infrastructure projects were identified to expand ELC capacity in response to the Scottish Government commitment to increase ELC delivery to 1140 hours per annum.

6.3.2 Construction works to the nursery extension at Rattray Primary School are complete and the nursery will be operational by the end of June 2022.

6.4 Perth High School

6.4.1 On 20 June 2018, Council approved funding from the Composite Capital Budget ([Report No. 18/212 refers](#)) for the replacement of Perth High School.

6.4.2 The planning application was approved at Planning and Development Management Committee on 16 March 2022.

6.5 Riverside Primary School

6.5.1 As part of the School Estate Transformation Programme, Lifelong Learning Committee ([Report No. 18/15 refers](#)) approved the construction of a new primary school on the playing field of the existing North Muirton Primary School site. The new building will accommodate pupils from both North Muirton Primary School and Balhousie Primary School ([Report No. 18/349 refers](#)).

6.5.2 Construction works continue to progress well on site with the structural frame now erected. The planned operational date remains on target for April 2023.

6.5.3 On 31 January 2022, Lifelong Learning Committee approved the proposal to name the new primary school as Riverside Primary School ([Report No. 22/23 refers](#)). This was further to a consultation process involving pupils, parents, staff, the community, local elected members and the Conveners of Lifelong Learning Committee.

Author

| Name | Designation | Contact Details |
|-------------|--------------------------------|---|
| Greg Boland | Head of Business and Resources | ECSCCommittee@pkc.gov.uk 01738 47500 |

Approved

| Name | Designation | Date |
|---------------|--|----------|
| Sheena Devlin | Executive Director (Education and Children's Services) | 01/06/22 |

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

| Strategic Implications | Yes/None |
|---|-----------------|
| Community Plan/Single Outcome Agreement | Yes |
| Corporate Plan | Yes |
| Resource Implications | |
| Financial | Yes |
| Workforce | No |
| Asset Management (land, property, IST) | Yes |
| Assessments | |
| Equality Impact Assessment | Yes |
| Strategic Environmental Assessment | Yes |
| Sustainability (community, economic, environmental) | Yes |
| Legal and Governance | Yes |
| Risk | Yes |
| Consultation | |
| Internal | Yes |
| External | Yes |
| Communication | |
| Communications Plan | No |

1. Strategic Implications

Community Plan/Single Outcome Agreement

1.1 This section sets out how the proposals relate to the delivery of the Perth and Kinross Community Plan/Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

This report relates to all of these objectives.

Corporate Plan

1.2 This section sets out how the proposals relate to the achievement of the Council's Corporate Plan Objectives:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

This report relates to all of these objectives.

1.3 The report also links to the Education & Children's Services Vision, Values and Priorities in respect of the following key Priority area:

- Learning and Achievement

2. Resource Implications

Financial

2.1 The meeting of the Council on 23 February 2022 approved the move to a 6-year funded Capital Delivery Programme covering the period 2022/23 to 2027-28 ([Report No. 22/36 refers](#)).

2.1.1 Any additional revenue implications identified through either the existing Capital Programme, or future Capital Programmes will require to be submitted as part of an expenditure pressure with a corresponding saving through the ECS revenue budget process.

2.1.2 There are no direct financial implications arising from this report other than those reported within the body of the main report and related business cases.

Workforce

2.2 There are no direct workforce implications arising from this report.

Asset Management (land, property, IT)

2.3 There are no direct asset management implications arising from this report other than those reported within the body of the main report.

3. Assessments

Equality Impact Assessment

3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

3.1.1 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

- 3.2.1 However, no action is required as the Act does not apply to the matters presented in this report. This is because these matters relate to the School Estate Strategy which is being considered under the Act as part of The Council's Asset Management Plan.

Sustainability

- 3.3 Under the provisions of the Local Government in Scotland Act 2003, the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- In the way best calculated to delivery of the Act's emissions reduction targets.
 - In the way best calculated to deliver any statutory adaption programmes.
 - In a way that it considers most sustainable.
- 3.3.1 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Legal and Governance

- 3.4 The Head of Legal and Governance Services has been consulted in the preparation of this report.
- 3.5 N/A

Risk

- 3.6 Individual risk profiles are in place for individual projects listed.

4. Consultation

Internal

- 4.1 The Head of Finance, Head of Legal and Governance Services and Head of Property Services have been consulted in the preparation of this report.

External

- 4.2 Participation and involvement of the community are critical to the ongoing and future success of school estate investment and an emphasis is placed on ensuring consultation, over and above that which might be required in terms of planning requirements and statutory consultation requirements.
- 4.2.1 A User Reference Group (URG), or equivalent, is set up for all major and large projects. The purpose of the URG is to assist with providing relevant local input to allow the Design Team to develop the outline concept design into an operational design. The formation of a URG is an invaluable source of information, and any project is reliant on this level of local detail.

5. Communication

- 5.1 A stakeholder communication plan is developed for all major and large projects. The plan aims to support effective communication and engagement with all project stakeholders.

2. BACKGROUND PAPERS

- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above report.

3. APPENDICES

- 3.1 Appendix A – Detailed Updates on Current Projects January – June 2022

APPENDIX A**Detailed Updates on Current Projects
January 2022 – June 2022****Milestones**

Milestones are key tasks within a project plan which mark completion of a significant or critical phase of work or a decision point.

In terms of the following projects the milestones have the following dates:

- The planned date is the original date planned for the project and does not change in the life of the project. These are generally aspirational dates based on a typical project;
- The actual date is the date the milestone is completed; and
- The forecast date is the date which is currently projected for completion.

BLAIRGOWRIE RECREATION CENTRE - REPLACEMENT

Overview

Council ([Report No. 16/277 refers](#)) approved a replacement Recreation Centre at Blairgowrie High School.

Sources of Funding

The approved funding from the ECS Composite Capital Programme for this project is £26.7m.

Progress Update

Detailed design and tendering of work packages are progressing.

The first User Reference Group was held virtually by email during May 2020 with four subsequent meetings held in September 2020, November 2020, May 2021 and June 2022.

Key Milestones

| Milestone | Planned Date | Actual Date | Forecast Date |
|---|----------------|----------------|---------------|
| End of Consultation Period and Development of Brief | November 2018 | November 2018 | |
| Submit NPR | November 2018 | June 2019 | |
| HubCo Stage 1 Formal Commencement | September 2019 | September 2019 | |
| Stage 1 Agreed | November 2020 | April 2021 | |
| Planning Application Submitted | January 2021 | December 2021 | |
| Planning Application Agreed | March 2022 | | TBC |
| Stage 2 Agreed | September 2021 | | TBC |
| Financial Close | October 2021 | | TBC |
| Site Start | November 2021 | | TBC |
| Centre Operational | March 2023 | | TBC |
| Completion of External Works | June 2024 | | TBC |

Current Issues

A delay in the planning process, due to statutory consultee negotiations and approval, has resulted in a programme delay. In addition, due to current market volatility, achieving Financial Close is proving very challenging, therefore, Stage 2 of the process has been extended. This will result in a revised operational date for the centre.

The impact of Brexit/COVID-19/construction supply capacity, and the war in Ukraine, is affecting costs and tender returns.

PERTH ACADEMY – REFURBISHMENT

Overview

Funding has been secured to undertake a partial refurbishment of the existing school facilities to improve the condition and suitability. Due to the live school environment, ongoing works are being phased into manageable packages as part of a rolling programme.

Sources of Funding

This project is funded by the ECS Composite Capital Programme. The budget allocated was £16.9m, of which £10.049m remains.

Progress Update

Phase 1 was completed in 2021 involving various upgrades including a new CCTV installation, corridor lighting, external structural repairs, CDT ventilation and major infrastructure upgrades to the PE building. Phase 2, also completed in 2021, involved improvements to student social space and classroom refurbishments.

Phase 3 Refurbishment Works package will be on site from July 2022 including classroom refurbishments, additional social spaces and roof replacement works. Ten classrooms will be complete during the 2022 summer holidays and then further classroom refurbishment will continue during term time. As part of this phase, external consultants have been appointed and are undertaking AV/Wi-Fi upgrade surveys and design work. A furniture replacement programme is also underway.

Key Milestones

| Milestone | Planned Date | Actual Date | Forecast Date |
|--|--------------|-------------|---------------|
| Phase 1 Refurbishment Works complete on site | June 2021 | July 2021 | |
| Phase 2 Refurbishment Works complete on site | August 2021 | August 2021 | |
| Phase 3 Refurbishment Works complete on site | June 2023 | | |

Current Issues

The impact of Brexit/COVID-19/construction supply capacity, and the war in Ukraine, may affect costs and tender returns as the ongoing phases progress.

PERTH GRAMMAR SCHOOL – REFURBISHMENT

Overview

Funding is available to undertake infrastructure upgrades to the existing school building. Additionally, approval was given for works to improve the entrance, reception and administration facilities which were carried out. Due to the live school environment, ongoing works are being phased into manageable packages as part of a rolling programme.

Sources of Funding

This project is funded by the ECS Composite Capital Programme. The original budget was £7.05m, of which £5.581m remains.

Progress Update

All toilet refurbishment phases were completed by October 2021.

Phase 1 of classroom refurbishments will proceed during the summer holidays 2022 and involves upgrades of ten teaching spaces.

Key Milestones

| Milestone | Planned Date | Actual Date | Forecast Date |
|---|----------------|--------------|---------------|
| Phase 1 Toilet Refurbishment Works complete on site | April 2021 | April 2021 | |
| Phase 2 Toilet Refurbishment Works complete on site | July 2021 | July 2021 | |
| Phase 3 Toilet Refurbishment Works complete on site | August 2021 | August 2021 | |
| Phase 4 Toilet Refurbishment Works complete on site | September 2021 | October 2021 | |
| Phase 1 Class Refurbishment Works complete on site | August 2022 | | |

Current Issues

The impact of Brexit/COVID-19/construction supply capacity, and the war in Ukraine, may affect costs and tender returns as the ongoing phases progress.

PERTH HIGH SCHOOL – REPLACEMENT

Overview

Council approved the replacement of Perth High School ([Report No. 18/212 refers](#)). This project will involve the replacement of the existing school building on the playing field of the existing site.

Sources of Funding

The approved funding from the ECS Composite Capital Programme for this project is £68.7m. A bid made to the Scottish Government Learning Estate Investment Programme – Phase 2 for funding of 50% towards the project was successful. The funding will be provided over a 25-year period based on the Council meeting specified targets.

Progress Update

The planning application was approved in March 2022.

Key Milestones

| Milestone | Planned Date | Actual Date | Forecast Date |
|-----------------------------------|---------------|-------------|---------------|
| Submit Final NPR | June 2019 | June 2019 | |
| HubCo Stage 1 Formal Commencement | July 2019 | July 2019 | |
| Stage 1 Agreed | May 2020 | Feb 2021 | |
| Planning Application Submitted | April 2021 | Sept 2021 | |
| Planning Application Agreed | August 2021 | March 2022 | |
| Stage 2 Agreed | January 2022 | | TBC |
| Financial Close | February 2022 | | TBC |
| Site Start | March 2022 | | TBC |
| Construction Works Complete | June 2024 | | TBC |
| School Operational | August 2024 | | TBC |
| Completion of External Works | August 2025 | | TBC |

Current Issues

Due to current market volatility, achieving Financial Close is proving very challenging, therefore, Stage 2 of the process has been extended. This will result in a revised operational date for the new school.

The impact of Brexit/COVID-19, and the war in Ukraine, may cause delays as the project progresses.

RATTRAY PRIMARY SCHOOL - NURSERY EXTENSION & REFURBISHMENT

Overview

Lifelong Learning Committee approved Education and Children's Services Early Learning and Childcare (ELC) Expansion Plan ([Report No. 17/314 refers](#)). As part of the plan, it was proposed that the capacity of the nursery at Rattray Primary School will be increased by 26.

Sources of Funding

The Scottish Government confirmed Perth and Kinross Council's allocation of capital funding for the expansion of ELC. The indicative budget for Rattray Primary School is £4,325,000.

Progress Update

Construction of the nursery extension was re-phased due to COVID-19 restrictions preventing works starting on the programmed date. Works included a new nursery extension, classroom refurbishments, new electric and heating infrastructure and new Wi-Fi with updated audio/visual technology in teaching spaces.

All classrooms have now been refurbished. The staff room and general-purpose space will be refurbished following completion of the new nursery.

Key Milestones

| Milestone | Planned Date | Actual Date | Forecast Date |
|--------------------------------|---------------|--------------|---------------|
| Review of Feasibility Study | March 2018 | March 2018 | |
| Planning Application Submitted | November 2018 | January 2019 | |
| Planning Application Agreed | December 2018 | May 2019 | |
| Contract Cost Agreed | April 2020 | January 2021 | |
| Site Start | June 2020 | June 2021 | |
| Construction Works Complete | August 2021 | | August 2022 |
| Nursery Provision Operational | August 2020 | | June 2022 |

Current Issues

No issues.

RIVERSIDE PRIMARY SCHOOL – NEW BUILD SCHOOL

Overview

As part of the School Estate Transformation Programme Council, Lifelong Learning Committee ([Report No. 18/15 refers](#)) approved the construction of a new primary school on the playing field of the existing North Muirton Primary School site. This new building will accommodate pupils from both North Muirton and Balhousie Primary Schools.

Sources of Funding

The approved funding from the ECS Composite Capital Programme for this project is £19.9m.

Progress Update

Full planning approval was granted in May 2021, financial close was approved in October 2021 and the construction works began on-site November 2021. Works continue to progress well on site with the structural frame now erected.

On 31 January 2022, Lifelong Learning Committee (LLC) approved the proposal to name the new primary school Riverside Primary School ([Report No. 22/23 refers](#)).

Key Milestones

| Milestone | Planned Date | Actual Date | Forecast Date |
|-----------------------------------|--------------|-------------|---------------|
| Submit NPR | July 2019 | July 2019 | |
| HubCo Stage 1 Formal Commencement | Nov 2019 | Nov 2019 | |
| Stage 1 Agreed | May 2020 | Nov 2020 | |
| Planning Application Submitted | Jan 2021 | Jan 2021 | |
| Planning Application Agreed | May 2021 | May 2021 | |
| Stage 2 Agreed | July 2021 | Oct 2021 | |
| Financial Close | Aug 2021 | Oct 2021 | |
| Site Start | Sep 2021 | Nov 2021 | |
| School Operational | April 2023 | | April 2023 |
| Completion of External Works | July 2023 | | |

Current Issues

The impact of COVID-19, Brexit and the war in Ukraine on the supply chain may cause delays as the project progresses.

