

EAST RENFREWSHIRE COUNCIL

CABINET

7 APRIL 2022

Report by the Director of Education

MEARNS CASTLE HIGH SCHOOL SPORTS FACILITY

PURPOSE OF THE REPORT

1. This report asks Cabinet to approve a revenue contribution to the Council's General Capital Fund plan for the amount of £193,000, from the Education Department's 2021-22 revenue budget underspend. This will enable the capital costs of the development of an all-weather athletics track and sports pitch for Mearns Castle High School to be met.

RECOMMENDATIONS

2. It is recommended that Cabinet:
- a. Increases the capital allocation for Mearns Castle High School's sports facility from £1.73m to £1.94m.
 - b. Approves a revenue transfer of £193,000 from the Education budget in financial year 21/22 to help manage school related projects in the 21/22 capital plan, therefore ensuring adequate funding in the capital plan for the increased costs of Mearns Castle High School's sports facility.

BACKGROUND

3. On 3 March 2022, the Council's General Fund Capital Plan 2022/23 to 2031/32 was approved by Full Council. The plan includes £1.73 million to be invested to provide a new all-weather pitch and running track for Mearns Castle High School.

4. Prior to presentation to Full Council on 3 March 2022, the proposal to upgrade the school's current blaes pitch and running track had been considered by the Council's Corporate Asset Management Group (CAMG) in 2019, in accordance with the Council's governance model for the identification, consideration and approval for inclusion in the Council's General Fund Capital Plan.

5. The proposal submitted to the Council's CAMG highlighted:
- a. the athletics facility at Mearns Castle High School, developed 40 years ago at the time of the school opening, being in a very poor state of repair and increasingly inadequate to meet the needs of the PE curriculum;
 - b. insufficient physical education spaces to meet the school and learners' curricular and extra-curricular needs as well as the need to address pressure from an increased roll, with new and ongoing residential development within the school's catchment area;
 - c. the need to enhance the school's sports facilities in order to align these with other schools across East Renfrewshire;

- d. the requirement for a quality playing surface and running track, robust enough to cater for the heavy demand of school use; and
- e. an increase in demand for access to all-weather 3G football and athletics facilities by local community and sports groups.

6. The Council's Property and Technical Services team scoped the project in 2019 and determined that a budget of £1.73 million would be required to complete the project. However, since 2019 there has been a significant increase in the cost of capital projects as a consequence of Covid.

7. Following the tendering process, the Council received a preferred tender bid for the works which is above the budgeted amount of £1.73 million. The additional costs of the projects above the budgeted amount is not unexpected given knowledge of other tender processes recently within the Council and more widely across other local authorities in Scotland.

REPORT

8. Section 14.3 of the financial regulations states that where a tender cost or revised estimate exceeds the provision in the Capital Estimates, further approval is necessary from the Cabinet and therefore approval is required to process with the project at the revised cost.

9. In order to meet the shortfall between the budgeted amount and preferred tender bid, the Education Department has undertaken Value Engineering to reduce the costs of the facility without impacting upon its functionality and therefore its use by the school and local community. This has reduced the budget gap but a shortfall still exists; the capital requirement for the project has now reduced from £2.0m to £1.94m.

10. The request to vire a revenue contribution to in year capital projects will reduce pressure on next year's capital plan and allow the shortfall between the budgeted amount in 2019, and the tender bid received for the sports facility, to be bridged. This will allow the sports facility to be progressed in the near future to meet the demands faced by the school and community, as detailed in paragraph 5.

11. The proposed revenue contribution can be met from the Education Department's estimated revenue budget underspend in 2021-22. The latest Estimated Revenue Budget Out-turn (period 10) report for 2021/22, also presented to Cabinet on 7 April 2022, provides details of the estimated revenue budget underspend.

FINANCE AND EFFICIENCY

12. The proposed revenue contribution will not impact on the Council's revenue estimates for 2022-23 as per the Chief Financial Officer's report to Full Council on 3 March 2022, which was based on the Education Department's projected budget underspend at Period 9; the requested revenue contribution equates to the additional revenue budget underspend from period 9 to period 10.

13. In order to meet the remaining shortfall between the budgeted amount and preferred tender following Value Engineering and the revenue contribution, the Education Department will vire 24k from the Education IT refresh capital programme to the Mearns Castle High School sports facility.

CONSULTATION

14. The Council's Chief Financial Officer is supportive of this report.

RECOMMENDATIONS

15. It is recommended that Cabinet:
- a. Increases the capital allocation for Mearns Castle High School's sports facility from £1.73m to £1.94m.
 - b. Approves a revenue transfer of £193,000 from the Education budget in financial year 21/22 to help manage school related projects in the 21/22 capital plan, therefore ensuring adequate funding in the capital plan for the increased costs of Mearns Castle High school sports facility.

Mark Ratter
Director of Education
23 March 2022

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BACKGROUND PAPERS

[General Fund Capital Plan 2022/23 to 2031/32, Council 3 March 2022](#)

[ERC Financial Regulations](#)

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