

Appendix 1

West Dunbartonshire Council

PPP Project Board: Tuesday 26 June 2007

Project History

Subject: the history of the West Dunbartonshire Schools' PPP Project

1. Purpose

- 1.1** To report to members of the Project Board the key milestones in the project so far.

2. Background

- 2.1** Following the Scottish Council elections of May 2003, the new Administration of West Dunbartonshire Council agreed to approach the Scottish Executive with a request for an award of funding for a schools' PPP Project.
- 2.2** A PPP Project Team was established and this team began to prepare an Outline Business Case (OBC) for submission to the Executive.
- 2.3** The OBC contained two options, the "Preferred Option" with a capital value of approximately £140 million at 2004 prices and a "Reserve Option" with a capital value of approximately £100 million at 2004 prices.
- 2.4** Section 3 of this Report outlines the key events in the project since the compilation of the OBC.

3. Main Issues

Project Timetable

- 3.1 8 March 2004:** the OBC, containing the 2 options outlined in 2.3 above was submitted to the Scottish Executive.
- 3.2 9 June 2004:** the then Education Minister Peter Peacock announced indicative support for West Dunbartonshire Council's Reserve Option. This option specified enhanced sporting facilities and community access in all schools affected and comprised new build schools as follows:
- a new Clydebank High School on its present site, incorporating the pupils from Braidfield High School, which would close;
 - a new denominational secondary school (subsequently named St Peter the Apostle High School) on the site of the present St Columba's High School and formed from the amalgamation of St Andrew's and St Columba's High Schools;

- a new St Eunan's Primary School and Early Education and Childcare Centre (EECC) to be constructed on the same site as the new Clydebank denominational secondary school;
- a new Dumbarton Academy on its present site;
- a new primary school and EECC on the Dumbarton Academy campus, the primary school to be formed from the amalgamation of Aitkenbar, Braehead and Dalreoch Primary Schools;
- a new Vale of Leven Academy on its present site;
- a new primary school on the Vale of Leven Academy campus formed from the amalgamation of Renton and Bonhill Primary Schools.

(Note: following two public consultations, the proposal to build a primary school on the Vale of Leven Academy campus was subsequently withdrawn. To date, this remains the only significant departure from the original proposals.)

- 3.3 Spring 2005:** statutory consultations were conducted on the OBC proposals.
- 3.4 September 2005:** the Council's Revised Outline Business Case (ROBC) was submitted to the Executive and authorisation was subsequently given for the project to be advertised under European procurement regulations.
- 3.5 15 December 2005:** a notice advertising the project was posted in the Official Journal of the European Union (OJEU notice) with a closing date for expressions of interest of 9 February 2006.
- 3.6 10 January 2006:** a Bidders' Day was held in the Education Centre in St Margaret's Hospice, Clydebank. This event, which provided details of the project, was attended by over 90 individuals representing tens of interested companies.
- 3.7 9 February 2006:** five expressions of interest were received from the following companies and consortia:
- BAM PPP
 - Hochtief
 - Morrisons
 - Transform Schools (Balfour Beatty)
 - West Dunbartonshire Schools Partnership (Amey/Carillion)
- 3.8 7 July 2006:** following evaluation of the 5 expressions of interest, the following bidders were short listed and an Invitation to Negotiate (ITN) was issued to them:
- BAM PPP
 - Transform
 - WDSP
- 3.9 26 October 2006:** bids were received from the 3 short listed bidders.

3.10 22 December 2006: the Project Board approved a recommendation that no bidder should be selected at this stage but that each of the 3 short listed bidders should be asked to submit a Best and Final Offer (BaFO) which should contain specific improvements to the original bid.

3.11 23 February 2007: all 3 bidders submitted BaFO bids.

3.12 11 April 2007: Council approved the appointment of BAM PPP as its Preferred Bidder and detailed negotiations began the aim of achieving Financial Close by the end of September 2007.

3.13 17 May 2007: Detailed Planning Applications were submitted by BAM for school buildings on all four sites.

4. Personnel Issues

4.1 As a result of decisions made previously by Council, janitorial staff in the schools involved will transfer under TUPE to the employment of BAM, while catering staff will continue to be Council employees.

4.2 In line with two Mandatory Variants (MVs) to the standard bid, the Council's Department of Housing, Regeneration and Environmental Services (HRES) is currently finalising bids to deliver Cleaning and Grounds Maintenance services in the schools involved for the 30 year lifetime of the project. These bids, which must be submitted by 29 June 2007, will be evaluated against BAM's proposal to deliver the services. If the bid from HRES is successful, cleaners and grounds maintenance staff will remain within the employment of the Council. If BAM is successful, staff involved will transfer to BAM's employment.

4.3 For any staff who are transferred to BAM, Transfer of Undertakings, Protection of Employment (TUPE) regulations will be fully observed, as will the terms of the Scottish Executive/STUC Protocol.

5. Financial Implications

5.1 The financial implications of the project have been reported in full to Council and will be further discussed by the Project Board.

6. Risk Analysis

6.1 Risk analyses and related exercises such as Optimism Bias adjustments have been carried out at all key stages of the project.

6.2 The project team has been required to submit Key Stage Reviews (KSRs) to the Scottish Executive in advance of both the issuing of the ITN and the selection of the Preferred Bidder. Partnerships UK (PUK) have carried out the KSRs on behalf of the Executive

6.3 A further KSR will be conducted prior to Financial Close.

7. Conclusions

7.1 As has often been noted previously, this project represents the largest investment in infrastructure in West Dunbartonshire Council's history.

7.2 Negotiations between the Council and BAM are currently proceeding satisfactorily and in line with the agreed programme.

7.3 If planning consent is granted and Financial Close is achieved in the autumn of 2007, then the secondary schools within the project will open in 2009, with the primary schools and EECCs following in 2010 and the completion of all other work on the four sites in 2011.

8. Recommendations

8.1 Members of the Project Board are asked to note the contents of this report.

Terry Lanagan
Head of Service

Person to Contact: Terry Lanagan, Head of Service, Schools Estate Unit, Braidfield High School, Queen Mary Avenue, Clydebank G81 2LR. Tel: 0141 952 5140.
E-mail terry.lanagan@west-dunbarton.gov.uk

Background Papers: Notes of previous meetings of the Project Board

Wards Affected: All