

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Council: 28 June 2006

Subject: Update on the schools' PPP project

1. Purpose

- 1.1 To provide Elected Members with a further report on space standards and costings for the West Dunbartonshire schools' PPP project In accordance with the decision of Council on 26 April 2006.
- 1.2 To provide members with a general update on the progress of the PPP project.

2. Background

- 2.1 At the meeting of Council on 26 April 2006, Council instructed the Chief Executive to bring a report to Council which would clarify the reasons for the space standards chosen for the schools involved in the project. The report was also to provide an updated breakdown of costings for the project.
- 2.2 It should be noted that, following approval of the recommendations of the Schools' Estate Unit by the PPP Project Board and the Schools' Procurement Committee, 3 Bidders have been selected for the Invitation to Negotiate (ITN) phase of the project, namely: Amey/Carillion (trading as West Dunbartonshire Schools Partnership); Balfour Beattie (trading as Transform Schools) and BAM PPP UK.
- 2.3 These 3 Bidders have been involved over recent weeks in initial consultation on design issues with staff, pupils and parents of the schools involved under the supervision of the Schools' Estate Unit.
- 2.4 The Scottish Executive Education Department (SEED) and the Minister for Education and Young People have now given approval for the relocation of St Eunan's Primary School. This approval is required under the rule which states that any school which has operated at over 80% of its capacity at any stage within the last 10 years can only be closed, amalgamated or relocated with the express approval of the Minister responsible.

2.5 Final approval is still awaited from SEED for the issuing of the ITN documentation to the 3 short listed Bidders.

3. Main Issues

Space Standards

- 3.1** The original Outline Business Case (OBC) which was approved by the Scottish Executive in August 2004 was essentially the feasibility phase of the project, with a target figure for space standards of 11 square metres per pupil for secondary schools and 7 square metres per pupil for primary schools. No detailed costings had been done to ascertain whether these standards were affordable in all cases and no timetabling had been done to determine whether such standards were appropriate for all the schools concerned. Similarly, no account was taken at that time of the fact that the various schools would have varying pupil numbers and that different space standards would inevitably apply to different schools. The figures given were for the project as a whole and were general in nature. This approach is entirely consistent with that taken by other Councils at this early stage in the project, when there is no guarantee that finance will be made available by the Executive or the level of any finance which might be forthcoming.
- 3.2** Following approval by SEED of the OBC, the Schools' Estate Team, in consultation with external advisers, began the process of compiling Accommodation Schedules, detailing every teaching and non-teaching space in each of the schools involved. Extensive consultation followed with staff, pupils and parents on these schedules and several amendments were made to them before the submission of the Revised Outline Business Case (ROBC) to SEED towards the end of 2005.
- 3.3** Consultation has continued with relevant stakeholders throughout 2006, and a number of further significant amendments have been made to Accommodation Schedules, with some spaces increasing in size and others being reduced. In addition, the schedules have been forwarded to an external education adviser who has confirmed that the schedules compare favourably with those of other Local Authorities and that they can accommodate the curriculum in each school (ie that they can be efficiently timetabled).
- 3.4** The Schools' Estate Team is now confident that the final Accommodation Schedules, which will be submitted as part of ITN, represent standards of accommodation which are not only affordable but are also superior to those of most other Scottish schools' PPP projects and which will allow the successful bidder to build high quality, spacious schools of which the Council can be proud.

3.5 It must be remembered that, as a general rule, the larger the school roll, the smaller the square metres per pupil and therefore the lower the cost per pupil. This is a direct consequence of the fact that some spaces are the same for all schools, regardless of roll (eg games halls, gymnasias, some offices, corridor widths) while other spaces vary slightly in size but not in direct proportion to the size of the school (eg assembly hall, some offices, dining room, kitchen, foyer, social spaces, circulation spaces, toilets, external facilities, some storage spaces).

3.6 Current estimations of square metres per pupil for the secondary schools involved are as follows:

Clydebank High School:	9.2 square metres
Clydebank Denominational Secondary:	10.6 square metres
Vale of Leven Academy	11.0 square metres (this excludes the Language Base which serves the whole Authority)
Dumbarton Academy	11.6 square metres (this excludes the Sensory Impairment Unit which serves the whole Authority)
Authority Average for all secondary school provision	10.5 square metres

3.7 The lower space standards per pupil in the Clydebank schools are almost wholly explained by the fact that the rolls of these schools are higher than those of the other two schools (see 3.5 above).

3.8 These space standards compare favourably with those of other Scottish Local Authority PPP schemes, as do the classroom sizes for West Dunbartonshire Council schools (64 square metres as a target figure for general classrooms in WDC schools as against , for example, 53 – 58 for Glasgow PPP schools and 56 square metres for Renfrewshire schools). It should also be noted that 64 square metres is larger than the current average general classroom size in existing West Dunbartonshire secondary schools.

3.9 These space standards remain as target figures which may change as the project progresses. It should also be remembered that any increase to space standards in one part of the project would have to be balanced by a reduction elsewhere if the affordability of the whole project were to remain unchanged.

3.10 A question has been raised about why some other PPP projects have applied different space standards to those which apply to the West Dunbartonshire project. While it is difficult to speculate on the thinking of other Local Authorities, some of the following factors may apply:

- some projects (unlike West Dunbartonshire's) involve refurbishments of existing buildings; classroom sizes and the sizes of other spaces are therefore determined by the sizes of spaces which already exist;
- different Councils are building schools of different sizes (secondary schools of under 200 and over 2000 pupils have been involved in Scottish Schools' PPP projects); for the reasons listed in 3.5 above, this directly affects the number of square metres per pupil and therefore the cost per pupil;
- the affordability position differs from Council to Council; some Councils are able to carry a greater affordability gap than others, thereby allowing them to adopt more generous space standards;
- some Councils have only 2 secondary schools of similar sizes in their projects, allowing them to apply the same space standards to both schools, while others have only one secondary school and statements about "average number of square metres per pupil across the project" are almost meaningless;
- collocation of denominational and non-denominational schools allows a sharing of some facilities and therefore a saving in space allocation per pupil and a standardisation of space standards between the two establishments.

3.11 It should be stressed that West Dunbartonshire's space standards for its PPP project have been judged to be more generous than those in similar projects by the project's external advisers, by other Councils, by the bidders themselves, and by the Head of Schools' Division at SEED, who has also stated that the variation in square metres per pupil from school to school is in line with similar variations in other projects and is explained by economies of scale such as those outlined in 3.5 above.

Capital Costs

- 3.12** The current estimated capital costs for the construction of the 4 Community Learning Centres (CLCs) involved in the project are as follows:

Clydebank Denominational CLC:	£30,716,000
Vale of Leven CLC	£21,180,000
Dumbarton CLC	£24,209,000
Clydebank Non-denominational CLC	£25,502,000
Provisional Sums (mainly asbestos removal)	£900,000
<u>Total</u>	<u>£102,507,000</u>

- 3.13** Current estimations of capital costs reflect the relative sizes of the various Community Learning Centres and the fact that certain economies of scale apply. Whether or not a campus contains a primary school, an Early Education and Childcare Centre, a specialist facility (such as the Sensory Impairment Unit in the Dumbarton Campus or the Communication Base in the Vale of Leven campus) also has an impact on the capital cost, as does the nature of the external sports facilities at each campus.
- 3.14** The Schools' Estate Unit, in consultation with the Council's external advisers, will continue to keep all costings under review and scrutiny until the project reaches Financial Close.

4. Personnel Issues

- 4.1** Personnel issues, notably relating to the transfer of employees under TUPE regulations, are covered by other Council papers.

5. Financial Implications

- 5.1** Financial implications are dealt with in 3.12 above and in other Council papers.

6. Conclusions

- 6.1** The Council's Schools' PPP project is making excellent progress and has attracted considerable interest from major players in the PPP field, thus ensuring keen competition as the project enters the ITN stage.
- 6.2** Space standards are generous when compared to similar projects and will allow the schools concerned to deliver the curriculum efficiently and effectively.

6.3 Variations in the number of square metres per pupil from school to school are almost totally explained by the different sizes of the schools and the fact that certain economies of scale apply.

6.4 Current estimations of capital costs reflect the relative sizes of the various schools and the fact that certain economies of scale apply.

7. Recommendations

7.1 Members are asked to note the contents of this report.

Tim Huntingford
Chief Executive

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

Wards Affected: All wards.