

ANGUS COUNCIL

EDUCATION COMMITTEE - 20 NOVEMBER 2001

PUBLIC PRIVATE PARTNERSHIP (Ppp)

REPORT BY THE DIRECTOR OF EDUCATION

**ABSTRACT**

This report describes progress to date in developing an Outline Business Case (OBC) for Ppp. The report also details the various deadlines for submitting an OBC and recommends further consultation prior to a final decision being taken.

**1. RECOMMENDATIONS**

It is recommended that the Education Committee:

- a) notes the progress which has been made in progressing an Outline Business Case (OBC) for a possible Ppp project ;
- b) instructs me to undertake public consultations with a view to the Committee giving further consideration as to whether to submit a Ppp bid (and if so, what preferred option to include within that bid) by the September 2002 deadline.

**2. BACKGROUND**

The Education Committee at its meeting of 10 October 2000 authorised the Directors of Education and Finance to prepare and submit a bid for a grant to undertake a feasibility study into possible Ppp projects for school buildings (Article 8 of the minute of the meeting refers.)

At its meeting on 5 June 2001, the Education Committee noted that a grant of up to £136,000 had been awarded by the Scottish Executive to undertake a feasibility study and to prepare an Outline Business Case, and the Committee authorised a mechanism for the appointment of external advisers (Article 11 of the minute of the meeting refers).

Considerable progress has now been made in the preparation of an Outline Business Case focusing on the burghs of Forfar and Carnoustie.

In the meantime SEED have issued Circular 8/2001 which indicates that 14 December 2001 is envisaged as the date for the submission of first round bids for Outline Business Cases and that bids for the second round are expected to be invited by the end of September 2002. The Circular also outlines the criteria against which bids will be evaluated.

**3. DEVELOPING AN OUTLINE BUSINESS CASE**

The need to improve school provision in the burghs of Forfar and Carnoustie has been confirmed and project objectives have been identified. Within this context a number of options have been identified for each of these burghs. Each option is being considered against the project objectives and the criteria set out by the Scottish Executive.

**4. PREFERRED OPTION**

It is a requirement to include within the OBC a preferred option. The situation in each of the 2 burghs is complex. Based on the information available at present and in order to ensure that the best possible educational provision is adopted and that the strategic opportunities offered by Ppp are fully utilised, there are a number of options available to the Education Committee:

- i) instruct officers to complete an OBC with a view to submission by 14 December 2001, based on a preferred option derived from information currently available but without any wider consultation; or

- ii) defer a decision so that public consultation can be undertaken to determine whether a bid should be submitted in September 2002, and if so what the preferred option within that bid ought to be.

In all the circumstances, option (ii) would appear to be more prudent at present and it is recommended

## **5. FINANCIAL IMPLICATIONS**

Financial Advisers have been appointed to offer advice on a number of specific matters where expertise does not currently exist in house. These include affordability and value for money (public sector comparator) considerations.

To a certain extent this will be dependent on the selection of a preferred option but it is clear that as level playing field support (on notional loan charges) will be limited to around 80%, there will be some additional costs to the Council (albeit these may be offset by revenue savings dependent on the option finally selected).

It should also be noted that should a bid be successful it will be necessary for the Council to meet the cost of undertaking procurement and monitoring costs, preparation of tender documentation, evaluation of tenders etc. These costs cannot however be quantified at present.

## **6. HUMAN RIGHTS**

There are no Human Rights implications arising directly from consideration of this report.

## **7. CONSULTATION**

In accordance with the Standing Orders of the Council, the Chief Executive, the Director of Finance and the Director of Law & Administration have been consulted in the preparation of this report. The Director of Property Services has also been consulted.

JIM ANDERSON  
DIRECTOR OF EDUCATION

**NOTE:** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.