

OBAN HIGH SCHOOL REPLACEMENT PROJECT

1.0 SUMMARY

- 1.1 This paper provides a brief update on the progress that is being achieved in relation to the Oban High School replacement project.

2.0 RECOMMENDATIONS

- 2.1 Members are asked to note the current position.

3.0 DETAIL

- 3.1 On 25 September 2012, the Scottish Government announced their commitment in principle to fund 66% of approved costs for the replacement of Oban High School. The Council considered this offer at their next available meeting on 25 October 2012 when officials were requested to prepare an Initial Business Case for consideration as part of the 2013/14 budget process. In general, the Scottish government will meet 2/3rds of the allowable construction costs of a secondary school. This funding is paid to Councils by way of a revenue support grant payable over the life of the project, usually 25 years. The Council will require to meet the 1/3rd share on the basis of an upfront capital payment, payable on completion of the construction of the school. Thereafter, the Council is required to meet the costs of the maintenance and lifecycle elements of the school over the period of the project through payment of an annual sum or "unitary charge". These costs are expected to be agreed as part of an on-going contractual arrangement over the life of the project and based on an agreed financial model at contract close
- 3.2 This Initial Business Case has been completed and recommends the allocation of the necessary funding to enable officials to develop a more detailed Outline Business Case during the course of 2013/14.
- 3.3 Assuming this recommendation is acceptable to the Council and agreed at the budget meeting on 14 February 2013, the work will include the initial identification of a long list of potential development sites in collaboration with Development and

Infrastructure Services as they undertake their masterplanning exercise for the Oban area. Identified sites will then be subject to an option appraisal to confirm the technical feasibility of accommodating the necessary development. A public consultation event will then follow to enable wider consideration of the potential sites in similar terms to that carried out for Campbeltown Grammar School.

Technical and educational briefs that will inform the design of the School will also be developed following the final site selection and consultation with pupils, staff and parents will contribute significantly to the development of these key documents which will ultimately underpin the development.

- 3.4 The new Oban High School is intended to be delivered through a design build, finance and maintain contract that will be procured through Hub North. This is a company developed by the Scottish Government and the Scottish Futures Trust (SFT) and is a joint venture with the private and public sector as a procurement vehicle for public infrastructure projects of this type.

Hub North is comprised of Cyril Sweett Investments Ltd and Miller Corporate Holdings (part of The Miller Group). The Council will eventually be engaging with Hub North in regard to all the school projects it currently has in contemplation in Campbeltown, Dunoon and Oban. The SFT expect that these projects will be coordinated so that they are procured at the same time through one contract and one funding package. The Council's upfront capital contribution for all three schools is also likely to be required at the same time.

The SFT are managing the Scotland's Schools for the Future Programme on behalf of the Government and are intended to provide a centre of expertise and advice on the development, funding, structuring, procurement and management of these projects.

The Council will continue to work closely with SFT throughout the on-going development of the project. SFT's approval will be required at specific points in order for the project to proceed to delivery. The final decision on the provision and level of unitary charge support for the project will be made by Scottish Ministers, subject to confirmation from both the procuring body and the Scottish Government that the project concerned is affordable and offers value for money.

- 3.5 It is intended that the timescale for the site selection process for the new school will be determined in liaison with the Council's Planning Services to be coordinated with the Master Planning exercise shortly to be carried out by them. This will allow wider considerations to be factored into the process to determine the optimum site and will allow the views of the community to be

coordinated in respect of the location of the new school as part of any wider development priorities for Oban

Thereafter, the timescale for delivery of the new Oban High School will be developed so that it is coordinated with the delivery of all the school projects the Council currently has in contemplation in Campbeltown, Dunoon and Oban as expected by the SFT. This is being progressed through the School Development Project Board currently chaired by the Executive Director of Community Services.

Information on the site selection process and the wider project timescale will be further reported to Members for approval.

4.0 CONCLUSION

- 4.1 Following the Scottish Government's announcement of support funding for the replacement of Oban High School, an Initial Business Case has now been prepared for consideration by the Council. This recommends the allocation of funding to enable the development of a more detailed Outline Business Case during the course of 2013/14.
- 4.2 All work relating to the project is being carried out to ensure full compliance with the Scottish Futures Trust's key stage review process.

5.0 IMPLICATIONS

- 5.1 Policy - The project accords with the Council's policy of continuous improvement to the school estate.
- 5.2 Financial – Support funding is required to enable the development of the Outline Business Case during the course of 2013/14.
- 5.3 Legal - Nil.
- 5.4 HR - Staff consultation will be undertaken to inform the preparation of both the technical and educational project briefs.
- 5.5 Equalities - Nil.
- 5.6 Risk - Risk will be measured on an ongoing basis.
- 5.7 Customer Service - Ultimately, the new school will provide educational facilities fit for the 21st century and will also form a valuable community resource.

Executive Director of Customer Services
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