

THE HIGHLAND COUNCIL

**EDUCATION, CULTURE AND SPORT COMMITTEE
21 MAY 2009**

Agenda Item	
Report No	

Maryburgh Primary and Conon Bridge Primary School Option Appraisal

Report by Director of Education, Culture and Sport

SUMMARY

This report provides details of the option appraisal exercise carried out by Caledonian Economics Limited (CEL) in relation to the future provision of Pre School and Primary School education in Conon Bridge (hereafter referred to as Conon) and Maryburgh and the recommendations contained therein.

1. Introduction

- 1.1 The ECS Committee on the 10th August 2006 agreed to replace the existing Conon Primary School and Maryburgh Primary School with a new amalgamated school on the existing Conon Primary School site.
- 1.2 On the basis of the above decision provision was made within the 2005 to 2010 ECS Capital programme to fund the new amalgamated school at Conon.
- 1.3 Thereafter the ECS Committee was advised that the replacement Aviemore PS and the new amalgamated school at Conon could not proceed simultaneously and that members would be asked to decide which project should progress first when the state of readiness of the respective projects was known.
- 1.4 On the 7th August 2008 the ECS Committee was advised that the Aviemore PS project was sufficiently advanced to proceed. As a result members agreed that Aviemore PS should proceed first and that in relation to the Maryburgh/Conon PS replacement it was agreed following further discussion with community representatives that a detailed option appraisal exercise be carried out to determine the course of action that would deliver best value for stake-holders.

2. The option appraisal process

- 2.1 In October 2008 Caledonian Economics Limited (CEL) was appointed carry out the options appraisal exercise. Members agreed that this exercise should provide a template for any future option appraisal.
- 2.2 Two options for the future development of educational provision within the communities of Conon and Maryburgh were considered, namely:-
 - A new amalgamated Conon/Maryburgh School on the site of the existing Conon Primary School site.
 - The refurbishment of the existing Conon and Maryburgh Schools to Category A for Condition and Suitability within the Scottish School Estate classification.

2.3 The methodology adopted for the option appraisal followed the relevant guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Scottish Government, the key aspects of which are:

- A qualitative comparison of the 2 options under consideration carried out in a workshop environment with relevant specialists from the Council and CEL.
- A financial model which compared the whole life cost of the options under consideration.
- A value for money (VFM) analysis which compares the results of the qualitative and quantitative analyses to arrive at an overall assessment.
- An assessment of project risks.

2.4 Copies of the Conon and Maryburgh Primary Schools Option Appraisal report produced by CEL have been made available in the Members' Lounge.

3. The preferred option:

3.1 The above report contains the following findings.

3.2 Under the terms of the qualitative assessment the new amalgamated school produces a higher score, 106 (297 weighted) against 93 (261 weighted). The qualitative assessment examined such issues as learning and teaching, pupil entitlement/equality of opportunity, community facilities and activities, campus traffic management, community identity, temporary accommodation during construction and travel distance and time.

3.3 Under the terms of the quantitative assessment the new amalgamated school was 17% less expensive over the estimated 60 year life of the new/refurbished buildings. At today's prices the estimated cost of the new amalgamated school was £19.89M, the corresponding figure for the redevelopment of the existing Conon and Maryburgh schools was £23.83m. This represents a difference of £3.94M. The quantitative assessment includes teaching costs, non teaching costs, loans charges, facilities management costs, utility costs, life cycle maintenance costs, temporary accommodation costs and safe routes to school costs over the estimated life of both options.

3.4 The overall VFM score is derived by dividing the weighted qualitative assessment scores by the corresponding Net Present Value figures. This results in a VFM score of 14.94 for the new amalgamated school over a 60 year period, as opposed to a score of 10.95 for the single school options. This is a significant difference.

3.5 The approved level of funding within the ECS Capital programme for the new educational provision at Conon/Maryburgh is £5.942M

4. COMMUNITY ENGAGEMENT

4.1 The relevant stake-holders, local elected members, Head Teachers, Parent Council representatives and Community Council representatives were consulted with at the inception of and during the option appraisal process. The brief produced for the option appraisal exercise by the Council was approved in principle by the stake-holders group at the outset.

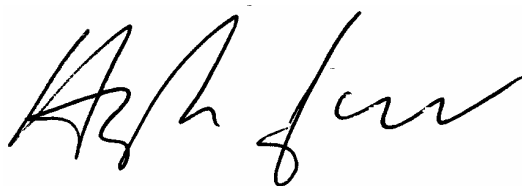
4.2 There were further meetings with stake-holder groups towards the end of the option appraisal exercise in March, April and on the 12th May there was a public meeting in Dingwall at which CEL, presented their report and findings.

5. RECOMMENDATIONS

5.1 Members are asked to agree:

- That on the basis of the findings contained within the options appraisal report produced by Caledonian Economics Limited a new amalgamated school for the communities of Conon and Maryburgh is built on the site of the existing Conon Bridge Primary School as agreed by the Highland Council in 2005 following the statutory consultation.

Signature:



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Date: 27th April 2009.

Ref: HF/RM

Background Papers: