

2 June 2010

Andrew Lumsden
Programme Manager
Housing and Property Service
Highland Council
Glenurquhart Road
Inverness
IV3 5NX

SCOTTISH
FUTURES
TRUST

Dear Andrew

SCOTLAND'S SCHOOLS FOR THE FUTURE – WICK ACADEMY

Thank you for returning the Status Evaluation form and for hosting various meetings with myself and Mikko Ramstedt. We found both the meetings with you and your team and the architectural presentation of the school extremely helpful in furthering our understanding of your project.

The implementation of this programme has several strategic objectives and we look forward to working closely with you to help you and the other Local Authorities meet these aims; which are as follows:

- Effective and efficient procurement
- Cost efficiency
- Sustainable lifecycle solutions
- Improved environmental performance and reduced carbon footprint
- Implementation of the nine guiding principles included in the School Estate Strategy: *Building Better Schools: Investing in Scotland's Future*
- Delivery of the first primary school(s) in 2011 and the first secondary school(s) in 2013

SFT in their role as programme manager will be supported by Scottish Government's School Estates Team, A+DS and Carbon Trust. Together, we will work in a collaborative, supportive and enabling manner with all of the Local Authorities involved in the programme.

Required information has now been received from all of the Local Authorities involved in the first phase of the programme. These details have been reviewed and I am now able to advise on the anticipated delivery timetable and funding contribution for your project.

Delivery Timetable

You will be aware that this investment programme is scheduled to be delivered from 2010-11 through to 2017-18. Based on the profile of the Scottish Government's budget and analysis of Local Authorities' project readiness, four delivery bands for the first phase of secondary schools have been identified; these are as follows:

- Band 1: Funding anticipated to commence 2011/12
- Band 2: Funding anticipated to commence 2012/13
- Band 3: Funding anticipated to commence 2013/14
- Band 4: Funding anticipated to commence 2014/15

The delivery timetable slot for Wick Academy is Band 2.

Funding Contribution

Your Council should anticipate receiving a maximum funding contribution of £18,390,400.

This amount represents two-thirds of a reference capital cost of building the new school. This figure is calculated using the future school roll information of 824 pupils rounded up to the nearest 20 pupils, a space allocation of 11 square metres per pupil and an all-in base cost of £2,200 per square metre; with a base date of 1 April 2009. The funding calculation is provided in the attached spreadsheet. A location adjustment has been applied as appropriate.

The funding contribution also includes provision for the replacement of the following existing additional facilities: Swimming Pool and Autism Unit / Multi Sensory Room.

The level of funding received by the Council will be adjusted to take account of any movements in inflation between 1 April 2009 and the mid-point of construction using the BCIS All-in Tender Price Index.

Should the funding contribution represent more than two-thirds of the out-turn cost of the project, the contribution will be reduced to reflect the principle of two-thirds funding from Scottish Government.

SFT will be working with local authorities to ensure that their projects are deliverable within these parameters. We will take the opportunity to work in a strategic capacity across the programme to assist Local Authorities achieve continuous improvement in cost efficiency.

Offer of Grant

SFT will work with you to complete a formal grant application process. This will be followed by an Offer of Grant letter from the Scottish Government which will set out the terms and conditions of the Grant including:

- the main objectives and expected outcomes of the Grant;
- targets / milestones against which progress in achieving objectives / expected outcomes shall be monitored;
- eligible costs for which the Grant can be claimed;
- efficiency incentives; and
- payment procedures.

Next Steps

I would be obliged if we could schedule a meeting or telephone conference to agree the next steps for both the Council and SFT in taking forward this exciting project.

We look forward to working with you through an efficient procurement process to deliver a high quality, well designed and sustainable school.

Yours sincerely



Gemma Gordon
Programme Manager

Tel: 0131 510 0813

Email: gemma.gordon@scottishfuturestrust.org.uk

**Scotland's Schools for the Future
Funding Contribution Calculation**

Council	Highland
School	Wick

Pupil Numbers	
Current Roll	824
Projected Roll	Steady state
Current Capacity	850
Funding Basis	Projected Roll
Roll (to nearest 20)	840

Space Allocation	
(based on pupil numbers)	
	Sqm
up to 400	13
401-800	12
801-1200	11
1201+	10
Funding Basis	801-1200
Space (sqm)	11

Existing Additional Facilities (sqm)	
Autism Unit / Multi Sensory Room	300

Base Cost per sqm £	2,200
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Existing Additional Facilities (£)	
Swimming Pool	2,000,000

Regional Uplift	20%
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SG Contribution	67%
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Total Funding Contribution	18,390,400
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(subject to 2/3 of total out-turn limit)

NB: Where pupil numbers are on the margins of a space allocation band consideration will be given as to whether an adjustment is required.