The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EDUCATION AND CULTURE COMMITTEE

Tuesday 19 June 2012

Session 4

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CONTENTS

EDUCATION AND CULTURE COMMITTEE
19th Meeting 2012, Session 4

CONVENER

*Stewart Maxwell (West Scotland) (SNP)

DEPUTY CONVENER

Neil Findlay (Lothian) (Lab)

COMMITTEE MEMBERS

*Clare Adamson (Central Scotland) (SNP)
*Marco Biagi (Edinburgh Central) (SNP)
*Neil Bibby (West Scotland) (Lab)
*Joan McAlpine (South Scotland) (SNP)
*Liam McArthur (Orkney Islands) (LD)
*Liz Smith (Mid Scotland and Fife) (Con)
*Jean Urquhart (Highlands and Islands) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

John Fyffe (Association of Directors of Education in Scotland)
Hanzala Malik (Glasgow) (Lab) (Committee Substitute)
Barry White (Scottish Futures Trust)

CLERK TO THE COMMITTEE

Terry Shevlin

LOCATION

Committee Room 6

Scottish Parliament

Education and Culture Committee

Tuesday 19 June 2012

[The Convener *opened the meeting at 10:00*]

School Buildings

The Convener (Stewart Maxwell): Good morning and welcome to the Education and Culture Committee's 19th meeting in 2012. I remind members and those in the public gallery to ensure that all electronic devices, particularly mobile phones, are switched off at all times during the meeting. We have received apologies from the deputy convener, Neil Findlay. I welcome Hanzala Malik, who is attending as a committee substitute.

The first item on the agenda is an evidence session on school buildings, to discuss the progress that is being made on the Scotland's schools for the future programme and local authorities' capacity to undertake school building projects outwith the programme. This is the last in a series of one-off evidence sessions at the committee. Next week, we will take evidence from the Cabinet Secretary for Education and Lifelong Learning on the main issues that have arisen from the evidence sessions.

I welcome Barry White, the chief executive officer of the Scottish Futures Trust, and John Fyffe of the Association of Directors of Education in Scotland. We will go straight to questions from members.

Liam McArthur (Orkney Islands) (LD): For the avoidance of doubt, I point out that the plaster on my head is the result of a freak cricketing injury, rather than a dust-up in the pre-meeting over the allocation of questions.

The overall programme for schools refurbishment and new build involves an investment of £1.25 billion but, in 2011, about 500 schools were assessed to be in either poor or bad condition. What overall level of investment is necessary to bring all those schools up to a good or satisfactory condition?

Barry White (Scottish Futures Trust): I am not sure that I know an exact number. There is a danger in considering condition in isolation, because there are also issues about having a sufficient number of places and about suitability. Under the current investment programme, some schools are being built to replace schools that are in condition B—which means that they are in reasonable repair—but which might not be suitable for modern education. The target of the programme is to tackle the greatest need, which means bringing schools up to the correct condition or making them suitable to allow modern education to be delivered.

In the past seven years, Scotland has had a massive investment programme in schools. The programme before the current one ran at a pace that was probably at least four or five times greater than that in England at the same time. In the past few years, there has been significant investment in schools. There is a challenge remaining and work still to be done, but I do not have an absolute number to hand.

Liam McArthur: Does that suggest that some of those buildings that are deemed to be in poor or bad condition might be assessed as being fit for purpose, if they are not being prioritised for refurbishment or for a completely new build?

John Fyffe (Association of Directors of Education in Scotland): There is an issue about how the information is gathered. ADES believes that, for some schools among those 500, perhaps only aspects of the buildings are in a poor or bad condition. Some schools are on split sites and others have two or three buildings associated with them. One aspect of the buildings might be in really poor condition, but the other aspects might be in good condition. The issue is how we average that out. It is easy to give an average when we are dealing with numbers, but it is more difficult when there are conditions A, B, C or D. We have to think carefully about whether a whole school is in bad condition or just aspects of it.

Nonetheless, there are two questions. First, why are schools like that? Why have they ended up in that condition and not been maintained or prioritised for upgrade? Secondly, given that councils are wrestling with issues other than schools, where are those schools in the councils' lists of capital priorities?

Liam McArthur: Obviously, it is for local authorities to determine their priorities, but are you, in an advisory capacity, inviting them to look again at the schedule and at whether there are sites that fall into the poor or bad condition and would fall shy of meeting the requirement to be fit for purpose, or is it entirely left to local authorities to determine that?

Barry White: In phases 1 and 2 of the programme, the Government selected priority secondary schools. Local authorities were asked to nominate two primary schools each, of which one was then chosen for most local authorities. They were asked not to choose schools that were next in their capital programmes, because they already had the funding in place for those schools. They were asked to look beyond their existing

capital programmes and to bring something else forward. One of the aims of the Scotland's schools for the future programme was to reach beyond what is in the immediate capital programme, and one of the aims of the selection process was to accelerate improvement in schools.

We do not give advice to local authorities on what they should do with their capital budgets. How local authorities prioritise between street lighting, community facilities, schools and so on is very much down to local decision making. What we do is suggest that we maximise the benefit of the money that is there. That is why it is good that the programme has been able to expand from 55 to 67 schools, because it has stretched the money and maximised the benefit in the current climate, in which we are doing the most that we can with the available funds.

Liam McArthur: Do you expect that, at the end of the programme, once the £1.25 billion has been delivered, we will not only have a school estate that is very much better than it is at the moment, but have delivered, at a fundamental level, an estate that is fit for the purpose of delivering the quality of education that we need? For those schools that are left in poor or bad condition, will there be an explanation of why that is the case?

Barry White: Even if central Government decides to do something else at that stage, there will still be a need for on-going investment, for example in local authority budgets. One of the challenges ahead is to build an accurate picture of what will be needed in future. It would be a worthwhile task to survey the estate and say what investment will be needed in future. As the Scotland's schools for the future programme rolls through, it would be incredibly useful to build that picture to inform future decision making.

Liam McArthur: But we are back in a position of fairly standard care and maintenance, with new build on occasion, rather than something that requires the sort of step change that we have had to see put in place over the past eight to 12 years.

Barry White: I do not think that I could say absolutely that there will no longer be any need for new schools. The programme will have moved things forward enormously, but I would be surprised if it had solved the whole problem—there will still be some schools needing investment. The issue is the extent to which that can be done within local authorities' budgets, delegated from the Scottish Government, or whether anything is needed in addition to that. Capital will be tight over the forthcoming years, which brings me back to the point that getting the most out of the money that is available is very much one of the key drivers at the moment.

Hanzala Malik (Glasgow) (Lab): You raise some interesting points. I have a question that has three points to it, I am afraid, so please bear with me.

In your study of the school estate, was any consideration given to rationalising school locations, in other words merging schools and having a purpose-built school in place of two or three schools? Have you had a chance to look at that?

Another issue that I will ask about concerns being fit for purpose for modern education. A lot of schools are being built to new designs but, because of climate change, many classrooms are hot in the summer months. Are we taking the right measures to ensure that we do not put our students in an uncomfortable environment that would affect their educational attainment?

A premium is starting to be placed on space in schools for storage, play areas and moving youngsters during school time. How confident are you that we are addressing those issues?

Barry White: There are certainly elements of rationalisation in what people are doing. We are big believers in asset planning and strategic asset management. In the programme, people are proposing three-to-18 campuses, for instance, where facilities such as a gym or kitchen can be shared between a primary school and a secondary school. People are also putting non-denominational primary schools alongside other primary schools.

Scotland has a good planning process in local authorities. The community campus in Lasswade is a good example—the school will have a swimming pool, a gymnastic centre and community facilities, and something like seven buildings will come on to one campus, which means a big carbon reduction, energy efficiency and better facilities for the community.

Such planning is very much part of the briefing and workshops that we do with people to ensure that a proposal fits with an authority's strategic plan. That does not mean that we promote a project, but we ask whether an authority has thought through whether the right school in the right place has been proposed. That sounds obvious, but having that as an essential building block is important.

For our "Lessons Learnt" document, we looked at the 28 schools that had been recently built before we started the programme. Ventilation and overheating were the major issue, even in schools that had been built very recently. That relates not necessarily to climate change, but to the designs. The climate has not had a significant change in the past two to three years to create that problem for schools that have been built recently.

Some points have emerged from that consideration. In working with local authorities on early designs, we have removed some suspended ceilings in classrooms and used exposed soffits—the underfloor of the concrete floor above—to provide natural cooling. When that is nicely finished with neat surfaces on the ceiling, it looks fantastic, and it provides a natural coolant—it is a bit like an old larder. That feature absorbs heat during the day, provides a cooling effect overnight and gives a classroom greater volume.

We are alert to ventilation and overheating as an issue and there are different ways of dealing with that. Getting that right is critical to children's attention span during the day.

In school design, the quality of space is as important as the quantity is. Sometimes, people say that having more space is always good, but the greater the quantity of space, the more space must be heated, lit and maintained. The direction of travel in the schools programme is towards getting the space allocation right and having a good design that makes the most of space, rather than simply increasing space for the sake of doing so. What is needed is really clever design to make the most of space.

Hanzala Malik: I disagree on that point. Many schools in Glasgow—particularly new-build schools—are struggling for space for basic things such as keeping books in cupboards and storing sports equipment. The classrooms are designed rather well, but we underestimate the volume of space that we need in schools. If we retain equipment and stationery in schools, they last longer and more people benefit from them. However, if we lack space and we ship out such material, a lot of it does not come back, which means a loss of revenue. It is therefore a false economy not to have space in schools. It is not just the new-build schools that are suffering from lack of space; the refurbished centres are now also saying that space is an issue and we need to look at that and revisit the amount of space that we give to schools.

10:15

Barry White: If we are talking about Glasgow's secondary schools—

Hanzala Malik: And Hillhead primary.

Barry White: I am less familiar with that. The secondary school designs were done 10 or 11 years ago, around 2000, and people have taken lessons from that. I am not saying that everything was right or wrong with those designs. It is about getting the space allocation right, and simply adding more space does not give us a better school. We have to add good quality, useable space.

We have just finished a primary school reference design that is very space efficient. We have used two top designers to come up with new ways of designing primary schools. We think that the space that they have designed is first class.

We have worked with a local authority that now wants to build one of the designs. We have shown the local authority the design and it is happy with the space in it. Really good design that uses space effectively and provides quality of space is what we have to get right.

John Fyffe: I agree with what Barry White said about rationalising schools. Every local authority has been looking at its assets and its asset base, and when they are talking about schools, they have to sweat that asset. Spending £25 million or £30 million on a new school is like buying a new car, only using it to go work from Monday to Friday and leaving it to sit redundant for the rest of the week. We do not have that kind of money in the public sector.

When a new building is designed, it should not be just an amalgamation of existing schools. The design might depend on whether the building will be in a conurbation or a rural location. In a rural location, we might wish to co-locate additional services in the school building, which would mean that the building needs space to sustain rural communities and deliver other services out of a building that happens to be a school during the day. All local authorities and other areas of the public sector are looking at sweating their assets.

On rationalising for all-through schools, 40 per cent of the schools in the authority that I happen to be director in are all-through schools—they have nursery, primary and secondary provision—and that factor is taken into consideration for good educational reasons when we start to plan for and design schools. As we all know, it is extremely difficult to close a school in a community: I tried closing a post office and it is extremely difficult to convince the public of the rights and wrongs and why we want to consider it.

When we are talking about rationalisation, we must also consider whole areas of public sector reform and how we deliver regeneration in communities. We must look at the role that a building can play in bringing communities together and offer the opportunity for the community to have a building that is not just somewhere that the bairns or the weans go, but a place that citizens can use for their own health and wellbeing, benefit, and a variety of other reasons.

There is also a focus on the place agenda. Our view is that we must co-locate, and the view across ADES will be similar. There are examples around Scotland of libraries and museums being built into new schools. A planning application can

be launched for that. Some people recently got married in a school because the registry services are being delivered out of the school.

That feeds into the third aspect, which is the question of space. ADES is very clear about space standards. No one disagrees with what Barry White is saying about quantity and quality. That is a rational argument that needs to be discussed and teased out. The space standards for 6-year-olds could be different from those for 30 18-year-olds, however. Those young people are no longer child sized, but they have to occupy a similar size of room—55m^2 or whatever it is—to the 6-year-olds. ADES's perspective is that the discussion about that needs to continue.

On fitness for purpose, phase 3 of Scotland's schools for the future building programme is clear that it is building to building research establishment environmental assessment method B-plus standards. The climate change targets in "Renewing Scotland: the Government's Programme for Government 2011-12" have been factored into the schools for the future building programme and we are beginning to see biomass boilers coming in. However, I have got schools, as have my colleagues, in which the temperature can be controlled only by opening the windows and letting the heat out. That is just not good enough nowadays.

Joan McAlpine (South Scotland) (SNP): I have a supplementary question on the same theme. What consideration has been given to the outdoor environment around schools? The cross-party group in the Scottish Parliament on children and young people recently heard interesting evidence, from those promoting outdoor education, about Scandinavian examples in which health and wellbeing is promoted by landscaping the areas around schools so that they have a natural look, which compares favourably with the concrete and tarmac that we see around our schools. Will any of our new schools take on the Scandinavian principles of outdoor education?

John Fyffe: I would be loth to say that they will not, but as long as we are lock-stepped into a schools renewable programme as opposed to a lifelong learning or education for life programme—there is a fundamental difference there—we will end up focusing most of our attention on the built part as opposed to the outdoor part.

You are right to say that there are some good examples around the country. For example, there is the learning without walls principle. Some local authorities have the whole authority area as the campus, so the facilities that are naturally built around the school area are used.

From the teachers' point of view, they would like to see more spaces for car-parking, but I do not think that that is what you are driving at.

Joan McAlpine: No.

John Fyffe: I do not think that I nor any of my colleagues would recommend that to any committee. However, there is room for further discussion about how we use the outdoor space around schools in order to ensure that it is used.

As the chair of the ADES national committee, I have had discussions in the past when health and safety has come up, but that is a complete and utter red herring. Kids learn from making mistakes and falling out of trees—I did, and it has not affected me. Kids learn from that. We must be bold enough to create the design that can allow youngsters to flourish. Of course, what youngsters need in primary is fundamentally different, in terms of how they socialise and mix, from what teenagers need, but your point is well made and it is something that we need to consider a lot more.

Barry White: Liam McArthur is a good example of the danger of outdoor activities. [*Laughter*.]

We submitted written evidence that included some images of primary schools. In one, every group of classrooms has an attached courtyard and another one shows outdoor covered spaces immediately outside the classrooms. A huge amount of effort was put into the landscaping of the grounds around those designs to make them not only fun to play in, but a teaching and learning opportunity. For example, amphitheatres are built into the grounds.

In the pilot secondary schools collaborative project between East Renfrewshire and Midlothian councils, a huge amount of thought and effort has gone into planning the outdoor space to make it much more than what some people describe as tarmac and a little bit of grass. Does every local authority give that aspect the same priority? Probably not, but we are definitely going in the right direction in saying that the outdoor space is as important as the indoor space—as a teaching and learning environment, and as a playing one.

Clare Adamson (Central Scotland) (SNP): I want to go back to co-location, shared services and opening up the school estate. Many of those services will now be delivered either by leisure trusts or by leisure and cultural trusts. How does that work? What involvement do the trusts have in the planning process for the whole estate? Are there examples of good practice to show how that is working?

John Fyffe: In a personal capacity, I am actively involved in redesigning two of the trusts—a leisure trust and a cultural trust—in my local authority. With regard to the leisure trust, we have

a strategy for leisure and health and wellbeing for the next 15 years. We asked ourselves what the most cost-efficient way of delivering the service would be, what we should be operating out of and how we should factor into any new build the appropriate leisure facility to deliver the co-location and integration of the services.

As I said earlier, it is not just about the school, but about delivering the public asset for the public good. A little bit of extra investment at the start may reap benefits many years down the line. We made mistakes in the 20th century in building for low cost, and we are now pulling those schools down. Local authorities have a duty of best value: it is not just about cost, but about the lifetime cost of the school. Barry White will tell you about that, because it is a factor in the design-build-finance-maintain model that is now coming through.

With regard to the leisure facilities, we have to ensure that there is no duplication of delivery. We must consider how we engage—not consult, but engage; there is a difference between the two. There are tensions around what councils could and should deliver and what they currently deliver, and what leisure trusts should deliver. There are examples the length and breadth of the country of areas in which virtually all leisure facilities have been put out to a trust, whereas in other areas that applies to only some of the facilities. Things such as the active schools programme, the commitment to two hours of physical education and many of the legacy issues will still be delivered by councils, which have done exceptionally well.

An Audit Scotland report on "Arm's-length external organisations (ALEOs): are you getting it right?" came out at the tail end of last year, in September or October. It was very clear on the good bits and the not-so-good bits, and on how we should work our way forward. That has been a catalyst for a number of local authorities to review what they do. We are not great at everything: some things need improving. That is a real factor.

The cultural side is slightly different, as some local authorities will put all their libraries, museums, heritage services, theatres and so on out to a trust, whereas others will put out mainly the theatres and museums and keep libraries, heritage, and community learning and development in-house.

I suppose that that is local democracy—there is variety.

The Convener: I will take you back to your discussion with Liam McArthur about the programme, the number of schools and the amount of investment. That covers the schools for the future programme, but what evidence do you have for the wider programme? Local authorities can go ahead and build or refurbish schools as part of that programme; they have that right and that option. At present, we seem to gather statistics on completions in the programme. What plans or evidence do you have in relation to the complete programme, rather than just your own programme?

Barry White: The Scottish Futures Trust focuses mainly on the schools for the future programme and on managing the £1.25 billion budget. We find that people who are not dealing with primary schools through the schools for the future programme will come to the primary school forums that we run, so the information is being shared not just within the programme but more widely throughout the schools programme.

We do not actively monitor or record councils' capital budgets to form a picture of capital investment in schools; that is more something that the Scottish Government might do with regard to the total number of schools that are being upgraded.

The Convener: I was hoping that Mr Fyffe would be able to help us with that.

10:30

John Fyffe: It might be easier to find Lord Lucan; it is very difficult to get that information in one place.

Your question is well put, convener. I was involved in a wee group with SFT and Scottish Government that was responsible for framing the invitation letter for phase 3 of Scotland's schools for the future. ADES's line at that time was that if you do not know the overall picture in Scotland or each local authority's plans for refurbishment, upgrade, redesign, rationalisation, co-location and integration of services, you cannot make value judgments on where priority funding should go. We are all skilled at writing business cases that fit the funding criteria—that is only fair; indeed, we would be criticised if we did not do so—but it is hard to get a real handle on the overall picture.

Of course, this is not just about building new facilities; it is also about extending or refurbishing existing facilities. If 25 years ago you had cryogenically frozen a brain surgeon and a science teacher and both were defrosted this morning, the brain surgeon would struggle to pick up where he had left off in the hospital, but there is a good chance that the science teacher would, on going back into school, be able to pick things up again.

Investment is being made in refurbishment, but among the difficulties that are faced by the Government in gathering the information is the fact that the original business case might have been for £X million and Y amount of refurbishments but,

by the time the various stages have been gone through, those amounts might have been reduced as a result of other capital pressures on local authorities, so the information that was gathered previously might not reflect the reality.

The Convener: That is why I asked the question. I am not sure that I completely accept your point, but I realise that certain difficulties might arise because things change over time. Can you give us a ballpark indication of what fraction the schools for the future programme represents of the overall programme? Is it half, nine tenths, a tenth or whatever?

John Fyffe: That is a really tough question. If you take it as a percentage of overall local authority spend on infrastructure over three years, it could be a third, which would equate to £3 billion or £3.5 billion.

The Convener: Is that as a percentage of the total spend on infrastructure?

John Fyffe: That is the spend on roads, bridges, housing, social housing and so on as well as schools. It is hard to say what the figure would be as a percentage of the spend on overall new build. I do not have that information to hand, but I can try my best to find it out and submit it to the committee.

The Convener: It would be interesting for the committee to see an estimate.

John Fyffe: I can certainly ask my local authority colleagues, ingather the information and submit it to the clerk.

The Convener: Thank you.

Hanzala Malik: I like the notion of all-singing, all-dancing schools and am very keen on the concept of rationalisation. After all, we need, in the provision of education to our communities, to reflect the fact that populations move.

How do we maximise rationalisation and the introduction of joint campuses with regard to other facilities? A prime example is libraries, many of which have stayed in areas where communities used to live but from which they shifted to new housing developments where no library provision is available. Although rationalisation in that respect might be good, local authorities will probably wish to protect that as their own investment. How can such approaches to making that a reality be assisted and maximised either through the Scottish Parliament or through other funding?

John Fyffe: Bidding for funding through the Scottish Futures Trust is geared on a like-for-like basis and the projects must be built to certain standards. As Barry White said, the SFT has published excellent examples of lessons learned at which we are all looking.

As for delivering library facilities in communities, the fact is that use of libraries has changed fundamentally over the years. With the advent of the Kindle and people downloading more and more, footfall is changing dramatically. We also have books being delivered to elderly people at home through various charitable organisations, and we are beginning to see self-serve facilities in key libraries. Reviews are, quite naturally, going on across the country because we must rationalise assets. At the same time, however, we must deliver facilities for taxpayers across the length and breadth of the country.

An oversimplistic view—which I will take now—is that for the schools that exist in every rural area there is absolutely no reason why, at the end of a school day in a primary school, between 4 and 5pm, a library could not be opened for public use. The heating and lighting are still on and the cleaners are in, so a saving could be made. If we become smarter at using existing assets to deliver services, the funding situation is a sweeter pill to swallow.

Hanzala Malik: That is good news.

The Convener: We were to come to Neil Bibby next, but Clare Adamson has a question that covers some of the issues that we have begun to explore on sharing best practice.

Clare Adamson: I want to explore the level of engagement that the Scottish Futures Trust has in projects that are not within Scotland's schools for the future programme. Obviously, it has expertise in asset and strategic planning and contract development. Barry White mentioned that some of the primary schools attend the trust's forums. Is that working well? Is there more that the trust might offer in terms of its expertise to the schools outwith the programme?

Barry White: What we are doing with information sharing is working well. It is providing opportunities for people to go and see what others are doing. A good example of that is in Campbeltown, in Argyll and Bute, where the council has a "try before you buy" scheme. It has innovatively refurbished part of the existing school to show a very different way of providing teaching and learning, and that has been opened up. We, and others, are encouraging people to look at it because it opens people's eyes to a different way of doing things.

One of the most positive things for me is the metrics that we use in the programme—that a 1,000-pupil school should be roughly a certain size and cost a certain amount of money. We know of chief executives who are using that approach internally to challenge people and to ask why figures should be more than the metrics suggest. There may be reasons: the space might be greater

because it is not being used for public libraries, but at least knowing that is important for decision making.

Information sharing is having that wider impact and, irrespective of whether we could do more, we are probably on the right track. Again, there is the balance between a centrally funded programme with which we have a lot of leverage, and the budgets of local authorities, which rightly value their independence hugely. Taking people with us and working collaboratively with local authorities—which have a great knowledge and experience—is the right approach.

Neil Bibby (West Scotland) (Lab): What are the differences between local authorities? For example, in the Highland Council area a large number of primary schools are in poor condition. What are the regional variations in that respect?

John Fyffe mentioned phase 3 of the schools for the future programme. Why were the local council elections not factored into the deadline for applications? New administrations might have come in at the start of May and would have had only a few weeks to consult on and decide what applications, if any, they were going to make.

Barry White: On regional variations there is quite a mixed picture. A number of local authorities—including South Lanarkshire, Falkirk and Clackmannanshire councils—have upgraded all their secondary schools, but a large number have not, so there are huge regional variations in the primary and secondary estate. John Fyffe may want to comment more on that.

Deadlines are officially set by the Scottish Government and applications are to the Scottish Government rather than to the SFT—that is a procedural point. The deadline was chosen so that the new administrations, rather than the outgoing administrations, could make the decisions. There is a balance to be struck in terms of decisions being made before or after elections; the Government decided to wait until after the election. That deadline was set because we are keen to make progress. An element of the next round of the programme will be revenue finance, therefore the programme does not have to wait for capital budgets and can progress quickly with those who are ready to push ahead. That is important for the construction industry because getting schools built is really important for construction workload.

A small number of local authorities are raising the timing issue with the Government.

Neil Bibby: Okay.

In terms of local variation, I have heard anecdotal horror stories about schools in which teachers are not allowed to put up children's work on the walls, or in which blinds cannot be fitted on windows even though the sun is coming in, because of how the contracts were drawn up. What safeguards can be put in place to ensure that such things do not happen?

Barry White: I assume that you are talking about schools that have private finance initiative/public-private partnership-style contracts—is that right?

Neil Bibby: I have just heard the stories. I am not sure which schools they are, but they are new-build schools.

Barry White: I assume that such issues are more likely when there is an on-going contract to provide maintenance and so on. Such issues should be solvable by negotiation with whoever has the contract, but management of some contracts is not strong enough on the public sector side. I encourage anyone with such issues to get in touch with us—we have a team that looks after operational PPP-type contracts. If schools cannot make progress on an issue, we would certainly take that up with the managers involved. Such problems should be solvable by reasonable people sorting it out.

We have simplified contracts enormously in terms of services being transferred; we have minimised them to cover just maintenance rather than a whole raft of services. Flexibility will now be much greater than it was in some of the historic contracts.

Neil Bibby: You mentioned out-of-hours community use of schools. We have heard stories about massive charges for using the school estate. Will similar safeguards be put in place to ensure, for example, that community access is affordable?

Barry White: Absolutely. Again, we have learned lessons from the past. What happened previously was that many of the services that were transferred—cleaning, catering, janitorial services, maintenance and things such as energy-volume risk—were all wrapped up in long term fixed-price 25-year contracts. Lo and behold, five years into the contracts, change was required, but the long term fixed-price contracts were not as flexible as people had thought. We have therefore simplified the contract enormously in order to allow it to be much more flexible, so that maintenance—without those other associated risks attached—is now part of the non-profit-distributing type of projects.

10:45

I still think that, if local authorities are suffering such difficulties they can, working with us, rise to the challenge by negotiating hard and managing contracts effectively. One danger in the historical

PPP/PFI contracts is the imbalance in their management: more effort is made by the private sector than by the public sector. It is a false efficiency in the public sector not to invest in management of contracts, because we get better value from them by actively managing them. I encourage authorities who have difficulties to speak to us; we can help them to work their way through the difficulties.

Neil Bibby: You talk about the differences between the new scheme and the historical PPP/PFI projects. Am I right in saying that the SFT recently won an award for the best promoter of PPP? If so, do you agree that the SFT is a form of PPP?

Barry White: "PPP" is a massive umbrella term for any approach in which the public and private sectors work together. The national housing trust, which we run, uses local authority borrowing powers but involves the private sector putting land into the deal. That is a PPP. All PFIs are PPPs, but not all PPPs are PFIs. PPPs include the NPD model, the national housing trust and all sorts of other things, such as joint ventures between councils and maintenance firms.

You are right that the SFT won an award; that shows the progress that we are making. In fact, we have been delighted to win three awards, one of which was for the best central or regional Government PPP promoter, which we won against international competition. That shows that we have a pipeline of work involving colleges, schools, hospitals and roads projects that are forging ahead at a time when it is important to do that for the market. So if we use the term "PPP" in its broadest sense, you are right that we promote PPP.

Liam McArthur: Can you confirm that the unitary charge payments in the next 15 or 16 years are set to increase from £300 million to £500 million? Is that a fair calculation?

Barry White: The Scottish Parliament information centre has done that calculation based on the existing signed contracts, the charges for which go up with inflation as they tend to be index linked or partially index linked, which is largely the reason for the upwards trend. The current projects that are going through the NPD model will be on top of that. I do not think that SPICe has factored that into its forecast—its report states that the new projects that are coming through will be an additional cost.

Liam McArthur: Do you have an estimate of by how much the figure will increase as a result? Can you provide the committee with that?

Barry White: I can certainly provide a written estimate. The investment is £450 million, so the figure is likely to be between £35 million and £45 million.

Liz Smith (Mid Scotland and Fife) (Con): You said in your answers to Mr McArthur and Mr Maxwell that there are two programmes. One is the Scottish Futures Trust programme of building and the other is what councils might have taken on outwith that. How has the deep-seated economic recession that we are in impacted on those building programmes?

Barry White: It has had an impact in a number of ways.

Liz Smith: Could you set them out?

Barry White: Certainly, I can. That was not my whole answer.

First, the available capital has decreased, which has meant that, for local authorities, which have delegated capital, their ability to fund from capital budgets has reduced. That has meant that there has been a switch from capital funding to revenue funding for many projects, which has enabled their being built to be begun next year when they would otherwise have waited for many years for the capital budgets to be put in place.

That has also meant that we are getting some buying-power gains because £1 today will buy more than it did three years ago. In that regard there are some benefits, but it is a very tough time for the construction industry. Those are probably the main impacts of the current financial circumstances.

The situation has also made local authorities focus very hard on asset management. In addition to our schools programme, we have an asset-management programme that looks beyond the schools estate at working with health and blue-light services. That involves a rationalisation of the wider estate, including the schools estate. Putting more services alongside schools is being considered more rapidly, partly because of the financial pressures.

Liz Smith: Have you detected any feeling from councils that, because their resources are very limited just now, they are more reluctant to undertake school-building reform on their own agenda and more reliant on what you might provide?

Barry White: I do not have any firm evidence that that is the case, although I would imagine that having fewer resources makes things more difficult. It is not only the capital budget that is going down, but the capital receipts from planned land sales and developer contributions are too.. There is a raft of pressures. As councils' revenue budgets flatline, there is pressure on their ability to borrow and to use prudential borrowing. The overall pressure on budgets means that spending

capital is a bigger decision than it was a few years ago.

Liz Smith: I want to ask Mr Fyffe more questions on rural schools. You represent a local authority that covers quite a mix of urban and rural areas, and you spoke about how we must try to "get smarter" in how we use some of the rural schools estate. Do you have specific recommendations on what local authorities can do—again, in very tight times—to do that better than they are, currently?

John Fyffe: You mentioned rural schools and rural locations, which is a very complex landscape. Every local authority wants to ensure that rural communities are sustained and can continue to thrive. If small rural locations are not thriving, that is probably due more to employability than to anything else. Changes in employment patterns may mean that the indigenous population cannot fill up the schools as it once did.

We have to get really smart in delivering our services. Some local authorities are delivering on a hub-and-spokes model, which means that everything is not centred around the major conurbation in that local authority area and services are delivered locally. However, that does not mean to say that there should be a school or a library on every street corner. There must be overall thinking about rationalisation and where we want to go in the next 25 to 30 years, which brings us back to the convener's point about the overall picture and where we are going.

We have to look beyond schools at delivering public services through a public service reform agenda, although schools are an important aspect of that. I have a number of ideas on that, but they are personal rather than ADES-focused ideas. I would be happy to talk to the committee about them separately.

Liz Smith: You said at the start of your answer that the rural schools issue is do with employability and the indigenous population moving away, in some cases. To some extent, that reflects economic circumstances and industrial changes. Can we can do more to try to enhance rural communities through the schools network by making them more desirable places to live? Do rural schools have a major role to play in that respect?

John Fyffe: That goes back to my comment that every community cannot possibly have its own school. It all depends on travel arrangements and whether a community is rural, or remote and rural; there are fundamental differences between the two. If a school lies five or 10 miles away and is easily accessible and if transport can be put in place, that might be sufficient. However, each case has to be treated on its own merits. Depending on where they live, some kids who live on the islands have to board away from home Monday to Thursday; the same happened on the mainland—in highland Perthshire, for example—for a number of years. We need to deliver the hub-and-spokes model and recognise that the important issue is service delivery, and not necessarily the location of schools. That said, the connection in the question with regard to the importance of good schools in attracting people to live and work in an area cannot be overstated and is also about standards and leadership. It is a complex issue.

Marco Biagi (Edinburgh Central) (SNP): I understand that 30 schools still have to be named in phase 3 of Scotland's schools for the future and that decisions are forthcoming. Can you give a timescale for that? Further to Mr Bibby's earlier question, do you have any comments on how the phase 3 application process has gone.

John Fyffe: Using my terminology—and indeed the terminology of what is now called Education Scotland—I should say in response to your second question that almost all councils are still putting proposals together. Coming back to Neil Bibby's question, I think that as we move into recess full-councillor policy and resources committees will be able to make decisions. Proposals are being worked out; I have no doubt that in a number of councils' consideration of them will fit in with their cycle of meetings and that in others it will not, so executive sub-groups will have to be pulled together.

ADES is not involved in receiving and deciding on bids; indeed, I would like to know how that will be carried out. Although there are application criteria, the criteria for judging bids have not yet been set. Nevertheless, I would like to think that any decision will be based on far more than a building's condition and will certainly take into account the wider context that we have already discussed, and how the proposal fits with a council's overall asset-management plan. All that makes the process a bit more complicated. I do not know what stage of the process we have reached; the bids are being received by Government, not councils.

Barry White: The bids are due in July and decisions on which schools are to be included are expected to take two or three months. The SPICe paper lists the criteria for applications that were discussed at a conference, and the aim is still to tackle the schools that are in greatest need in terms of condition or suitability. However, additionality—which relates to projects that would not otherwise be happening—will also be taken into account.

Marco Biagi: There is clearly a bit of an awareness divide on the matter. Have the criteria

been communicated sufficiently well to local authorities?

Barry White: By next Friday, two of my colleagues will have met every finance director and director of education individually to ensure that they have been made aware verbally, and through what has been sent to them in writing, of the process and how it will be handled. As well as sending out written communication, we have very much set ourselves the task of ensuring that everyone is individually aware.

Marco Biagi: Have any changes in criteria or process been made between the first two phases and the third?

11:00

Barry White: One of the changes is that in the first phase, the secondary schools were chosen by the Scottish Government, whereas in this round all projects are being nominated by local authorities. In the first phase, people were asked to nominate two primary schools each. The big shift this time is that it is being left much more to the local authorities to come up with proposals.

John Fyffe: One slight change is very important—I hope that it gets the appropriate weighting in the analysis. It is in section 20 of the bid document, which says:

"The information should include Condition and Suitability ratings (based on approaches set out in the Scottish Government guidance documents), and any issues relating to accommodation pressures".

Some local authorities in Scotland are growing significantly and need to expand their school estate, not because the school estate is in poor condition, but to get the economy growing and to deliver services. I hope therefore that sufficient weighting is given to the aspect of accommodation pressures.

The document goes on to say:

"we would expect pressures caused by housing developments to be funded by developers contributions".

On developer contributions, Barry White is right to say that with the way the economy is at the moment, it is difficult to realise that capital. The General Register Office for Scotland figures are coming out—the census figures are due out in October or November—and we hope that those will give us even greater clarity on that scenario.

Jean Urquhart (Highlands and Islands) (SNP): I want to ask about section 4 of the SFT submission, "Programme Progress and Update", in which you say:

"Careful cost management ... is allowing an increase to the number of schools ... from 55 to 67".

That sounds very good. How has that happened?

Barry White: It has happened in a number of ways. One example relates to the establishment of the cost metrics at the outset of the programme. The initial cost estimates that we received averaged about £2,600 per m^2 for secondary schools. We looked at the market and decided that £2,200 per m^2 could deliver a high-quality school. Working with the early projects, on the basis of the evidence we revised the secondary school metric down to £1,900 per m^2.

We managed the programme budget in a way that allocated money based on the delivery of high-quality schools, then looked at the market and the progress that was being made in collaborative working to maximise value for money. That meant that the budget could go further. Revising the metrics had a big impact on managing the programme budget. We are now undergoing a review to look at the evidence on the primary school metrics, in terms of not only delivering high-quality schools but the price point at which we can do that.

Another issue is getting people to work together. One example that we have given is the pilot project with two local authorities, East Renfrewshire and Midlothian. From the inside, the design of the teaching block—the frame, the roof and so on—is very similar, but the teaching and learning space feels very different. That means that the design is done once rather than twice. In addition, the two lots of furniture for the project were bought as one batch. There are savings to be made through collaboration and economies of scale.

As the programme moves forward, it is working with four local authorities in a collaborative project to see whether some of those benefits can be realised further. The programme can help in making money go further by managing risk and keeping some of the risk as a programme. The Olympics has done that very successfully, by establishing a programme with a series of projects beneath it, and by keeping some of the risk allocation, centrally managing it and allocating it only where it is necessary.

Jean Urquhart: To continue on that theme, there are many variables. For example, we built what turned out to be a very expensive school in Acharacle in Highland, but it is a passive school. Its heating was fairly ahead of its time in many ways. You mentioned a school in Campbeltown as a really good example. Many things that we might do in house building or any building for energy efficiency and to meet climate change targets tend to increase prices considerably. How are those things factored in?

On design, I hear architects groan a bit when we find a design and replicate it, whether it is for Tesco supermarkets or whatever. Scotland has

extraordinarily able people who would like to have an input, and fitting a school building into the landscape can certainly be important in the Highlands and Islands. How is that managed?

Barry White: There are two answers to that. On the sustainability side, we have set two minimum standards in the programme: to aim for a building research establishment environmental assessment method rating of "excellent" and to achieve an energy performance certificate rating of B+ before renewable technology introduction. We are very clear that value for money is not about having a cheap up-front price and an expensive building afterwards; it is about the whole-life cost of the building. Quality materials that will last and very sustainable buildings are therefore very important.

We are careful to say that a BREEAM rating of "excellent" should be aimed for and that that should be achieved in most places, but there have been examples in the past of how the assessment methods work. People end up buying BREEAM points through things that are not really needed. They end up putting in 100 bicycle racks because that is needed to get the BREEAM point, although perhaps only 20 people cycle. Space could be left for 100 bicycle racks, 40 could be put in to start with, and they could be added to. We have to look at the measurement methods and realise that people sometimes end up spending money on things simply to satisfy an assessment method and money is not always spent sensibly. A BREEAM rating of "excellent" should be achieved in most cases, but we would sometimes say that, if people are getting close to that rating but would have to spend money foolishly to get it, stopping just short would be okay.

That is a point about sustainability. I am sorry, but what was your second question again?

Jean Urquhart: It was about design. We saw what happened with some of the building in the 1950s and 1960s, when there was a terrific building programme. I dare say that we lived to regret some of that building, and we have happily demolished many schools that were built then. You spoke about savings that you make in school design. There is another school of thought: school buildings are so important that we should not repeat the mistakes of the 1960s, and perhaps savings should not be made in that area. I do not think that we are repeating those mistakes with regard to quality—I hope that that is the case—but it would be a pity to see the same design across Scotland just because that is the cheapest option. Would not that be a pity?

Barry White: There is a certainly a spectrum of standardisation, from everything being unique to everything being absolutely standard, but we are not at either end of that spectrum. We want to try to achieve a degree of commonality of approach. That is why we included images from Lasswade in Midlothian in the report that we submitted. There was quite a common approach to the school there, but it looks and feels like a very different school from the outside. Its layout on the inside is very flexible and it changes with time.

Volkswagen and Audi cars may have the same engine and the same gearbox, but they look and feel like very different cars. In the same way, it is entirely possible to have some degree of commonality in the design of school buildings without having a standard school. I agree that we do not want to move to a standard. That is absolutely right, but I do not think that we are doing that. We are pitching buildings somewhere in the spectrum without going to one end of it.

Liam McArthur: Let me take you back to Jean Urquhart's initial question about the move from an assessment of 55 schools under the programme to an assessment of 67 schools a couple of years later. You have explained very well the change in the programme metric of the cost per square metre, some of which was perhaps driven by recessionary pressures. The other metric is the area per pupil, and Mr Fyffe mentioned some of his concerns about that in response to an earlier question. Are you saying that none of that change from the assessment of 55 schools to the assessment of 67 schools was the result of a change in the metric of the area per pupil and that it is all to do with the cost per square metre?

Barry White: We have not changed the area metric; the building cost is the bit that has allowed us to move from assessing 55 to assessing 67 schools.

Liam McArthur: That certainly does not tally with the concerns that were being expressed by local authorities at the back end of last year. Has work been done in the interim to reassure them that that is not the case and that their concerns are misplaced? I do not know whether Mr Fyffe can express a view on behalf of ADES members.

John Fyffe: Barry White alluded to the discussions that have been taking place around the country with directors of finance and directors of education, and I have no doubt that that point has come up regularly in those discussions. The savings that have been made overall in the programme are exactly as Barry said.

I am not sure that the area metric has changed, which is a moot point. A few years ago, ADES did some analysis to find out the number of square metres per pupil in a classroom. The figure varied around Scotland from about 1.8m^2 to about 2.6m^2 per pupil. If the target was 2m^2 per pupil, the design would be for a classroom of 60m^2 for up to 30 kids, but the figure varied. I think that the metric

that the SFT is using at the moment is 55m^2 per classroom or thereabouts, but it is trying to design flexible spaces within that—for example, break-out space to enable that area to be expanded, if possible.

The idea of commonality, not standardisation, is absolutely right. We need flexibility in design to make best use of the natural landscape, materials and so on. It is maybe oversimplistic but, the other day, I described it to my chief executive as being like buying a Ryanair ticket—if you want space for sports equipment, you have to pay a bit extra. The metric size will be part funded through the SFT and any additionality—community space and so on—will be for the local authority to pick up on. In making its decision, the local authority will have to compare that with its other priorities; I am not complaining about that, it is just the way that it works.

Barry White has spoken of the message about the space metric that we heard coming out of Glasgow schools. Lessons have been learned and the document that he referred to has been produced. However, ADES is still hearing concerns from directors about the space metric.

Barry White: In our submission, we put in the primary school design and the space metric for that size of school is 7.5m^2 per pupil. That design is at about 7.2m^2 per pupil, but the school has the potential to expand from 280 to 330 pupils, so the metric could go down to 6.3m^2 per pupil or something of that order. We are working with people to achieve really good design, and the reference design that we have done illustrates the clever use of space—space that is multifunctional, that is flexible and that can be opened up to have two teaching spaces as one—in a creative way. A lot of the challenge that we are mounting is on design and space. When schools have one-sided corridors, for example, they end up with a lot of circulation space relative to the teaching space. We want to get circulation space well designed so that it is effective, and avoiding wasted space is one of the drivers in using the metrics at the outset.

The Convener: The SFT submission states:

> "Application of funding metrics on both an area per pupil basis and cost per m^2 basis has guided the grant process as well as providing a challenge function to focus on needs not wants".

I am not disagreeing with that, but I was interested in Mr Fyffe's comment a moment ago that the SFT provides the grant for what is required and any additionality must be funded locally. I am paraphrasing, but that is roughly what you said. The example that you seemed to use was sports equipment, which seems to me to be not a want, but more of a need.

11:15

John Fyffe: It was an oversimplistic analogy. In talking about community space, Mr Malik talked about libraries, so I will use that as an example. A local authority might want to put a library in a rural school to ensure that library facilities are sustained in the area. The way in which the SFT model has been set up is such that the new school is provided on a like-for-like basis with the previous school, bearing in mind the lessons that have been learned. In that respect, any additionality has to be funded by the local authority.

The other side of the coin is that, if there was not some kind of standard, there would be a blank cheque, with the Government funding 50 per cent or two thirds of whatever figure local authorities came up with. There has to be a line in the sand somewhere.

From an ADES perspective—I was in danger of putting on a Convention of Scottish Local Authorities hat there—the space metric is for classroom space, not for circulation or socialisation space. Barry White alluded to the 7.2m^2, which takes in dining halls and so on. The classroom space is the issue.

The Convener: I accept the point about libraries and so on. I do not think that anybody is disagreeing with that. Perhaps it was a throwaway line, but it is just that you mentioned—

John Fyffe: It was a poor attempt to simplify the issue. I will take that back.

The Convener: That is helpful. There is a serious point about where we draw the line between need and want, which I am trying to explore. If it was a throwaway line, that is fine. We can put it to one side.

Mr White, perhaps you could explain how the SFT defines the difference between need and want. I am not sure that we could all sit down and agree on exactly what it should be. There are different pressures on where the line is drawn.

Barry White: If we take the space metric as an example, it was set at the median level of schools that we surveyed, so it is set at the middle of what people have done in the recent past. From that point of view, I believe that it is a reasonable level. The combination of the two metrics will provide a really high-quality, sustainable, well-designed school if people design it properly and consult properly on what is required. Because the schools budget is an education-targeted fund, what John Fyffe said is absolutely right. If somebody wants to add a community facility to the school, that will be outwith the funding envelope and the money will come from the local authority's resources. However, we are entirely happy with the metrics that we have set.

That is partly why we did the exemplar designs for primary schools. Both designs are by leading architects, they were done well within the space and cost metrics, and they are really brilliant schools. If we look elsewhere—to Ireland, for example—people are procuring schools at a much lower cost than we are paying in Scotland. We could have a lower cost by moving to a standardised model and by doing things in a much more basic way. We have picked a middle route. We want to drive through some economies and maximise the benefits, but we want to have local consultation and to achieve a local response. That is an important part and something that Scotland does really well. At the same time, buildings cannot be accessorised to a point at which they become unaffordable.

The Convener: Thank you for that. Liam McArthur has a quick question.

Liam McArthur: The talk of median costs started to ring alarm bells. In places such as Orkney, parts of the Highlands and the other island groups, the cost of delivering your school build will almost inevitably be higher because of the cost of getting materials there and, often, storing them.

Although the median may work across the piece for schools on a national level, one would have thought that there will be real pressure points in certain local authority areas. The suggestion that, as a whole, the programme hangs together nicely will be of no comfort to those local authorities that are being required to deliver against those metrics. With the housing association grant, a metric is set, but ministers have the flexibility to sanction a higher allocation when there is a compelling case to do so. I am not sure that the same flexibility exists in the school building programme.

Barry White: The space metric changes with the number of pupils, so if a school has a smaller number of pupils, the space per pupil goes up to reflect the fact that, almost inevitably, there is less efficiency of space in a smaller school. The cost metric varies regionally—it takes into account the published tables of regional uplift. One of the first schools in the programme, which is in Daliburgh, is being built at a higher cost, on the basis of that regional uplift. That issue is reflected in the programme.

Joan McAlpine: I have a few quick-fire questions to ask. I would like you to clarify some of the figures in the SPICe document, which says that 687 schools were built or substantially refurbished between 1999 and 2011. The table that follows shows the number of schools that have been built or substantially refurbished since 2007-08. I calculate that number to come to 358. Can you give us an indication of why proportionately more schools were built in that latter period?

Barry White: Between 1999 and 2011, 687 schools were built or substantially refurbished.

Joan McAlpine: Yes, but between 2007 and 2011, 358 schools were built or substantially refurbished.

The Convener: That information is on the front page of the SPICe document.

Barry White: Yes. I think that table 1 shows completions. It shows that in 2009, 103 schools were completed, but they will have been built over the previous two years or 18 months. I suspect that the reason for that is just a factor of timing. When any infrastructure investment is announced, it takes a while for the procurement and construction phases to be completed. An investment programme that was already running led to completions in those years.

Joan McAlpine: Do you have any idea of what the breakdown is between PFI schools and NPD schools? That is not listed in the SPICe document.

Barry White: I do not know what the split is.

Joan McAlpine: You do not even have a ballpark figure for the respective proportions.

Barry White: I do not have a figure. I could find one out, if that would be helpful.

Joan McAlpine: Yes.

Later on, under the heading “Unitary Payments”, the SPICe paper says:

“Previous governments supported two programmes of PPP funded schools which delivered around 280 schools.”

Would that relate to completions before 2007?

Barry White: I do not know what SPICe has included, but the timing of projects such as those in Inverclyde will have bridged Government boundaries. I do not know what SPICe has based its figures on.

Joan McAlpine: During this morning’s session, there has been talk of PFI and NPD. For some people, there seems to be a bit of an overlap. Could you explain the difference between the NPD approach and the PFI approach by giving some practical examples that illustrate why you feel that NPD delivers more efficiently?

Barry White: PFI is undergoing UK-wide reform because people not only in Scotland but across the UK have made it clear that it needs to be reformed for future investment programmes. I believe that we in Scotland are ahead of the game with NPD and that the view that the situation needed to change has been held for longer here.

At a high level, NPD caps the return to the investors in the special purpose company; indeed, that was one of the aspects of PFI that people felt gave others too much reward for the risk that they were taking. Any returns or surpluses above the cap can now flow back to the public sector as a rebate against the annual cost instead of as dividends to shareholders in the special purpose company. That benefits the public purse.

However, our underpinning has been much more significant than that. As I said, we have simplified and delayered the structure and, instead of the previous complexity, we are now asking people almost as a utility to design, build and maintain schools. By taking away some of the complexity and delayering some of the risk, we have actually made things easier to finance and, indeed, more financeable at the lower cost. Indeed, when we explain to banks or financiers what is being asked of them, we can give them a simple, more flexible and straightforward offering with regard to projects. NPD is different in that it caps returns, allowing more to be retained by the public sector, and allows the private sector to deliver a simpler service.

Joan McAlpine: We have already discussed the substantial unitary charges associated with the 280 schools built by previous Administrations. I know that you do not have the figure for NPD in that respect, but can you confirm whether it will be substantially less given the efficiencies in the delivery of the NPD system?

Barry White: A couple of things affect unitary charges: bank borrowing, the use of pension fund money or the use of other finance that has been borrowed and must be paid off over time. In any case, both models rely on long-term debt of one form or another.

We think that unitary charges might be lower under NPD for a number of reasons. First of all, we are allowing higher capital contributions than used to be the case, which means that there can be more of a blend of the public and private sectors in the cost of finance and, secondly, instead of seeing dividends flow out, the public sector will be able to get a rebate. Nevertheless, we should make it clear that NPD is still a form of borrowing and no matter whether we are talking about pay as you build, which is capital, or pay as you use, which is NPD funding, there is still a repayment stream. That stream will count towards the 5 per cent cap that the Government has promoted, under which we can use up to 5 per cent of the budget to pay for different forms of borrowing. Of course, that is why it is important to get great value for money; after all, we will have to pay it back over the next 20 to 30 years.

Joan McAlpine: I suppose what I am pushing at is whether we could end up paying more for the 280 schools that were built under previous Governments than we are paying for the 358 that have been completed since 2007.

Barry White: I cannot answer that from the facts that I have in front of me. For a start, I do not know the unitary charges that are attached to each of those many, many schools.

Joan McAlpine: Would it be possible to get that information?

Barry White: To be honest, I do not know, because we do not have access to information on every unitary charge in every local authority.

Joan McAlpine: That is interesting.

Finally, my understanding is that the burden of debt for PPP projects is proportionately greater in Scotland than elsewhere in the UK. Would that situation be different if the Parliament had the full range of borrowing powers?

Barry White: It would depend what the Parliament decided to do. If you had full borrowing powers, you could choose whether to use them, PFI or NPD. However, people do certain things for all sorts of reasons. For example, France has put in place a €25 billion PPP programme for building railways, motorways and public buildings. The answer to your question is that although with greater powers you could make certain choices, people who have that choice are using both public borrowing and PPP-style arrangements.

The Convener: I thank Mr White and Mr Fyffe for their evidence. As we have agreed to take the next item in private, I close the public part of the meeting.

11:30

Meeting continued in private until 12:40.

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e-format first available
ISBN 978-1-4061-9143-1

Revised e-format available
ISBN 978-1-4061-9160-8

Printed in Scotland by APS Group Scotland