



Briefing for the Public Petitions Committee

Petition Number: [PE01579](#)

Main Petitioner: Jean Hepburn

Subject: Funding for the New Barrhead High School

Calls on the Parliament to urge the Scottish Government to release funding immediately so that the construction of the new Barrhead High School can commence.

Background

Funding for a new Barrhead High School was initially announced in 2012. However construction was delayed by a dispute over common good land. The Court of Session ruled that the proposed site was on common good land, and so East Renfrewshire Council had no power to build on the site. While the Council initially decided to appeal the Court of Session decision, it later revised this decision, and chose to find a new site for the school.

However, following resolution of this dispute, the project was caught up in a wider issue affecting a number of similar projects due to be funded by the Non-Profit Distributing (NPD) Model of Public Private Partnership. Under such projects, the private sector finances the upfront capital costs associated with a project and, on completion, continues to maintain and, in some cases, operate, the asset. Once operational, the public sector makes annual payments (“unitary charges”) to the private sector contractor to cover the capital costs, interest costs and maintenance/service charges. Such payments typically continue for 25-30 years.

New European accounting guidance (European System of Accounts 2010) came into effect in September 2014. The new guidance means that some projects that were formerly classified as private sector would now be classified as public sector.

This potentially affects a number of capital projects financed through the NPD model of financing, as these have previously been classified as private sector projects, which affects their treatment in the accounts, and would potentially have budgetary implications for the Scottish Government. These projects were therefore delayed while the Scottish Government and Scottish Futures Trust worked with the Office for National Statistics to amend the Hub model, to enable the projects to retain their private sector classification.

Barrhead High School is one of these projects, in the Scottish Futures Trust's "Hub" programme.

Scottish Government Action

The Scottish Government has been in regular communication and negotiation with the Office for National Statistics on the classification of the affected projects. [The Government states](#) that:

"The Scottish Futures Trust has developed a number of proposed changes to the hub DBFM model, which the ONS have now advised would support a private sector classification in line with the extant EU guidance. A formal classification opinion will in due course be sought from the ONS, once a relevant contract has been signed and is available for a classification review."

On 26 November 2015, the Deputy First Minister advised the Parliament that all affected Hub projects, including Barrhead High School, could now proceed to financial close as soon as possible. Although there are still other, wider issues to be worked through with HM Treasury and the ONS on the programme, in terms of Barrhead High School, this announcement means that there should be no further delays in the project.

Allan Campbell
Senior Research Specialist

25 November 2015

SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However if you have any comments on any petition briefing you can email us at spice@scottish.parliament.uk

Every effort is made to ensure that the information contained in petition briefings is correct at the time of publication. Readers should be aware however that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

Published by the Scottish Parliament Information Centre (SPICe), The Scottish Parliament, Edinburgh, EH99 1SP www.scottish.parliament.uk