

## **ECYE6. End of Schools PPP Contract**

The Education, Children & Young People Executive considered a report by the Director of Children's Services providing information on the contractual and legal position of the Council's Public Private Partnership (PPP) contract with Class 98 Limited, the timescales involved, and an overview of the current revenue and capital financial position. An assessment of the options available to the Council once the 25-year contract period comes to an end was also provided.

In 1998, Falkirk Council entered into a PPP contract for part of its school estate which resulted in the construction of five schools completed for occupation by August 2000. Under the contract, Class 98 Limited is responsible for the management, operation, maintenance and servicing of the school facilities for use by the Council for education and community use.

The contract was for 25 years and would come to an end on 1 August 2025. However, Council required to decide before 1 August 2022 to either allow the contract to expire, resulting in the Council being responsible for the management, operation, maintenance and servicing of the school or to serve an extension notice on Class 98 Limited.

The report summarised the potential benefits and financial implications of both options available to the Council.

A dedicated Project Group had been set up to consider all aspects of work that required to be considered in the lead up to the contract end date of 1 August 2025. The Project Group had had significant input from representatives of the Scottish Futures Trust, external professional advisers, and from Class 98 Limited.

The views and opinions of the Project Group were that the benefits allowing the current contract to expire on 1 August 2025 outweighed the benefits of seeking an extension to the contract.

### **Decision**

#### **The Education, Children and Young People Executive:-**

- (1) noted the revenue and capital financial position outlined in sections 5.6 and 5.7 of the report;**
- (2) agreed that the Council does not serve a notice of extension of the contract on Class 98 Limited on or before the extension option date of 1 August 2022;**
- (3) authorised the Directors of Children's, Transformation, Communities and Corporate, and Place Services to take all necessary administrative, technical and contractual steps to bring the contract to an end at 1 August 2025 and transfer the schools back to the Council, and**

- (4) requested that the Director of Children's Services brings an updated progress report to the EC&YP Executive in June 2023.**