

VALUE FOR MONEY OF PRIVATE FINANCE INITIATIVE - COMPARISON OF NEW BUILD AND REFURBISHED SCHOOLS IN SCOTLAND

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Abstract

This research evaluates the value-for-money (VFM) obtained from public-private partnership (PPP) schools in Scotland, based on headteachers questionnaires, local authority interviews and Scottish School Estate Statistics. The period covered is 2000-2012, when 272 PFI schools were commissioned. By comparing the views of the 14 headteachers of refurbished PFI schools with the 107 headteachers of new build PFI schools, it was found that in most elements of building condition, suitability and maintenance standards, the two groups were significantly different in that the refurbished PFI schools performed much less well than the new build PFI schools. The refurbished PFI schools also perform significantly below the new build PFI schools in terms of wider community involvement, pupil attitude and behaviour improvement, and raising staff morale and self-esteem. In terms of the procurement mechanism, only 35.71% of headteachers of refurbished PFI schools generally/strongly agreed that the decision to have refurbishment was correct, but 83.18% of the headteachers of new build PFI schools generally/strongly agreed that the decision to have new build was correct. The refurbished PFI schools were also significantly different from the new build PFI schools and only one fifth of their headteachers were satisfied/very satisfied with the PFI, taken as a whole, compared to four-fifths of headteachers of new build PFI schools who were satisfied/very satisfied with the overall PFI. In terms of VFM, there were considerable reservations from headteachers of refurbished PFI schools that their PFI contract has resulted in good value for money. Moreover, a higher percentage of headteachers in refurbished PFI schools generally/strongly disagreed than those generally/strongly agreed that their PFI contract had provided better VFM than would have been provided under conventional procurement.

Keywords: *Value for Money, Public Private Partnerships, School building procurement, Refurbished building, New building.*

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