



## BSF and the current financial climate

### Introduction

Governors will be aware that current lending conditions in the world financial markets are quite volatile and that there have been concerns outlined in the media that public authorities are finding it difficult to close deals.

### Local Situation

In Rochdale one of the two sample schools in the BSF Project is due to be delivered as a PFI scheme (Hollingworth BEC which is a new build project). We are not due to reach financial close on BSF until November 2009 so we are monitoring the situation as we progress through the year.

All the bidders short-listed on the Rochdale BSF Project have provided commitment letters from banks still active in the PFI sector who are willing to lend on Rochdale's BSF Programme.

Governors are advised that BSF deals are still being done. Tameside MBC recently signed off the first phase of their BSF contract (which included a PFI school.)

### Financial Implications

Market conditions are such that currently there are fewer lenders in the PFI market and those that remain are seeking higher rates of return on their loans. These additional costs are significantly offset by reduced Bank of England interest rates. It is important to monitor how these two rates change over the next 8 months.

### Government Intervention

On 3<sup>rd</sup> March 2009 the Chief Secretary to the Treasury announced additional protection measures to allow authorities to secure sufficient funds to proceed. From this date the Government will lend to those projects which cannot raise debt finance on acceptable terms, lending to Authorities alongside commercial bidders and the European Investment bank. The private sector will continue to bear primary risk on all projects.

Government consider this approach essential to support jobs and the economy. In other words we expect that Rochdale's programme will be delivered as planned.

**John Bollington**  
BSF Project Director

## BSF Announcement of two shortlisted bidders

A press release was issued on the 16<sup>th</sup> March to announce that the Authority has reached another milestone in its BSF timetable and has selected the two bidders who will be taken through to the final procurement stage. The two shortlisted bidders are Galliford Try/Equitix and Inspired Spaces (Carillion), and one of these bidders will be chosen as the Authority's preferred bidder in July 2009.

There is a lot of work to be done between now and July to finalise the designs, ICT solution and partnering proposals with each bidder and we thank in advance all those who will be asked to contribute to the process over the next two months.

### Phase 1 B schemes - Matthew Moss & Cardinal Langley



### Cardinal Langley RC High School



We have started the engagement process with the next 2 schools who are set to join the BSF programme, Matthew Moss & Cardinal Langley. According to our BSF timetable, construction works are due to start at these schools in July 2010, and we are meeting both schools regularly to discuss their aspirations and requirements for BSF, in terms of teaching and learning, Facilities and ICT provision. As part of the process we are required to secure outline planning approvals for both schemes.

Outline planning applications were therefore submitted at the end of February, based on initial design concepts. These designs will be developed in a much greater level of detail with the school and their stakeholders, and the Authority's preferred partner once selected in July 2009. We will also be inviting design input from pupils and staff as the project progresses.

## Primary Schools Capital Programme

The Authority has funding for the Primary Schools Capital Programme (PCP) for 2009-10, and has now submitted an updated Borough wide Strategy for Change to DCSF to secure funding for 2010-11 onwards. Throughout Autumn and Spring Terms the emphasis for the 10 schools involved has been on thinking about how PCP money can support the school development plan to raise standards and widen community engagement. This has been done through stakeholder groups drawn from across the school and the community.

There is a considerable amount of new and innovative thinking about personalised learning and primary education and the use of ICT, about how classroom layout, school design and organisation can help achieve transformation. For those with access to the Rochdale Schools Intranet a resource bank has been put together and accessed through the Home Page-School Advice- Primary Capital – or <http://192.168.230.40/LEA/PCP>.

The Authority is working with each school in the programme to develop their own Strategies for Change, which will show how PCP resources will help transform education and community engagement for their school. The next steps involve setting up a small project team for each school to oversee the detailed design work and ensure that the objectives of the PCP are met.

## Janet Marshall

Janet has been part of the team for five and half years. She previously worked for Barclays Bank before leaving to run her own public house and then as an office manager in a small firm offering consultancy to the Business Centre Industry.



The first 4 years of her employment with the Authority was spent helping to deliver the Schools PFI Project in which she played a key part in developing the Fixed Furniture & Equipment requirements with the contractor for seven new schools.

She is now heavily involved in the Building Schools for the Future programme and has been working with the bidders and stakeholders to develop designs for the two sample schemes (Hollingworth BEC and Siddal Moor Sports College) and the next two schools in the programme, Matthew Moss and Cardinal Langley and has been part of the technical team evaluating bids submitted by the three consortia.

Outside work, Janet attends the gym and likes to go for long circular walks across the moors of Todmorden beginning and ending at the local pub for a well deserved drink!!!