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Priority School Building Programme: overview

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1.

Overview of the programme

The Priority School Building Programme (PSBP) is a programme to address

the needs of the schools most in need of urgent repair.

Through the programme, 260 schools will be rebuilt or have their condition needs met by Education Funding Agency (EFA). The first school was opened in May 2014.

There were [261 successful applications for the PSBP](#) out of 580 eligible applications. One school has now been closed.

You can read the [background information](#) and the [ministerial statement about PSBP](#) on the National Archives website.

2.

PSBP batches

Schools in the PSBP are spread across England and have been grouped together in batches.

The grouping takes into consideration geography, commercial viability and condition need. If there is more than one batch in an area, EFA sought to prioritise schools in the worst condition for the first batch.



Companies listed on the [EFA contractors framework](#) and the [EFA regional framework](#) are invited to bid for each of the PSBP capital batches.

Private finance batches are open to bids from any construction organisation. The Private Finance batches follow the 'Design, Build, Finance and Operate' delivery model with an operational period generally of 25 years.

A notice to confirm the release of the individual batch to the market has been placed in the Official Journal of the European Union (OJEU). Each batch is a standalone procurement.

All queries about the individual batches should be sent to PSBP.EFACAPITAL@education.gsi.gov.uk and all suppliers interested in offering products or services should contact the contractors appointed to deliver the batches. For a list of appointed contractors please see the '[PSBP: Capital Funded Batches](#)' page.

3.

Private finance funding (PF2)

EFA is pleased to have chosen the Amber consortium to fund the private finance batches.

There are 46 schools being delivered via private finance funding, which have a funding requirement of £700 million and have been separated into 5 batches.

The projects are being procured by EFA and will use centralised procurement to maximise economies of scale and expertise.

We have used lessons learned from previous programmes to streamline the procurement process. We have also followed lean procurement principles produced by HM Treasury and the Cabinet Office, with the aim of lowering costs for all parties

PF2 projects will benefit from public sector equity investment; the intention is to fund the projects using an aggregator model to access short- and long-term debt markets. You can [read the press release](#) announcing this phase on GOV.UK.

3.1 Aggregator model

The credit crunch has had an impact on the availability of long-term bank debt for the financing of infrastructure and public private partnership and private finance initiative projects.

To address these issues, EFA has developed a financing model based upon a funding vehicle known as the 'aggregator'.

A key feature of the aggregator is the ability to warehouse loans and so aggregate total financing requirements across all PSBP batches.

4.

Capital funding

There are 214 schools being delivered via capital grant funding.

Schools built through capital grant funding are arranged in batches.

Contractors for these batches will be selected from the [EFA contractors framework](#) and the [EFA regional framework](#). [A list of contractors](#) appointed to PSBP capital batches via the EFA contractors framework is available on GOV.UK.

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