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Education
Funding
Agency

1. Overview of the programme

The Government is targeting investment more effectively than ever before, basing investment decisions on the most comprehensive picture of the needs of the school estate. In doing so, we are maximising the impact of every pound of taxpayer's money.

The £4.4 billion Priority School Building Programme (PSBP) is rebuilding and refurbishing school buildings in the worst condition across the country. There are two phases of the programme covering a total of 537 schools. Under the first phase, PSBP1, 260 schools are being rebuilt and/or refurbished: 214 through capital grant and 46 using private finance. The first school opened in April 2014 and the vast majority of others will be open by the end of 2017, two years earlier than originally announced.

Under the second phase, PSBP2, individual blocks at 277 schools will be rebuilt and refurbished using capital grant. By focussing on individual school buildings rather than just whole schools, we will maximise the impact of our investment, helping funding go further to help the schools in most need. The EFA plans for all PSBP2 schools to open their new or refurbished buildings by the end of 2021.

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

2. PSBP batches

To ensure value for money for the public sector, schools in the programme are grouped together to make projects (or 'batches') that will be commercially attractive and drive strong competition. These batches also allow us to be more efficient in our procurement, in terms of time and cost.

The batch grouping takes into consideration geography and commercial viability. As far as possible, the EFA has sought to start work at schools in the very worst condition first.

The building works are being procured through a variety of routes:

- [the EFA contractors framework](#)
- [the EFA regional framework](#)
- the Crown Commercial Service Modular Building Systems agreement
- the Official Journal of the European Union (OJEU)

For a list of appointed contractors, please see [PSBP: Capital Funded Batches](#) and the [PSBP: Selected Bidders – Private Finance Batches](#).

3. Private finance funding (PF2)

Under the PSBP, the EFA will deliver 46 schools, in 5 batches, through private funding. These batches are being delivered through 'PF2', the Government's new approach to private finance.

For more information, please see [PSBP: Selected Bidders – Private Finance Batches](#).

3.1 Aggregator model

To deliver PF2, the EFA developed [and procured] a financing model ('the aggregator') which will combine the funding requirements across the 5 batches.

By aggregating funding requirements, we have been able to access cheaper finance and streamline procurement by using standard documents for each batch of schools.

[Aviva and the European Investment Bank are each expected to provide around 50% of senior debt and INPP will provide mezzanine debt. Amber Infrastructure will act as loan administration agent and corporate services provider.

For enquiries or further information, please contact PSBP-PF.PMO@education.gov.uk.

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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