

PFI Phase I Expiry

Key Messages

Forum members are asked to:

- Note the information within this report.

1. Introduction/background

- 1.1. Sheffield had a number of schools rebuilt and opened across five Private Finance Initiative (PFI) phases between 2001 and 2012. The first batch of six schools built in the first phase of the programme will have their PFI contracts expire in August 2026.
- 1.2. The six schools involved in Phase I PFI Expiry are: Tapton School, King Edward VII (lower school), Fir Vale School, Ecclesfield School, Mosborough Primary and Owler Brook Primary.
- 1.3. Four of these schools are part of Academy Trusts (Tapton School Academy Trust, Fir Vale School Academy Trust, Cascade Academy Trust and Minerva Learning Trust). The remaining two are LA Maintained.
- 1.4. For this group of schools, Vercity are the SPV manager, Mitie are the FM service providers (hard and soft facilities management) and Autograph provide the catering services. The SPV is a 100% subsidiary of Sheffield Schools Services Holding Limited which is wholly owned by Innisfree Schools (F2C) Limited.

2. Implications of Expiry

- 2.1. At expiry date, these schools will cease to be managed under PFI arrangements. At that point, all assets (including the buildings and land), associated services and contracts, and school based PFI staff currently managed by the PFI Co will become the responsibility of the Academy Trust to which the school belongs, or will revert to LA as appropriate.
- 2.2. Expiry is a legal, financial, property, and practical undertaking and involves significant levels of resource and time in order to achieve successfully.
- 2.3. A Project Team to manage the expiry has been established and is chaired by Mark Sheikh on behalf of Education and Skills. Jim Watkin is the designated

project lead for the expiry. Expiry is being managed separately from the day-to-day contract management of PFI so that the additional workloads and implications of PFI expiry do not impinge on continued project management arrangements for those PFI School not (yet) in scope.

- 2.4. The project team is supported by internal colleagues from PFI Team, Legal, Finance, HR and Property amongst others. The core team is supported by external legal advisors (Beven Brittan) and by external technical advisors (RLB). We also have regular support from the Department of Education (DfE) PFI Team and from colleagues in the Infrastructure and Projects Authority (IPA), part of the Cabinet Office.
- 2.5. Whilst the LA has responsibility for expiring the contracts in partnership with the PFI Company, the schools are also involved and will become increasingly so as we understand how the services, contracts, staffing and other issues will be affected post-expiry.
- 2.6. This expiry will clearly also lead the way for, and inform, the remaining four phases of PFI school expiries in the future. The second PFI phase is not due to expire until 2030. The final phase will expire in 2037.

3. Actions Required

- 3.1 At this point in the project, there are two key elements of work taking place as set out here. gain, this is all underpinned by the legal and technical advice we are receiving from our external partners, from the DfE and from the IPA.
- 3.2 Firstly, we need to understand the condition of the physical assets being returned to the Academy Trusts or the LA as appropriate, and whether these have been appropriately maintained and serviced throughout their lifecycle as set out in the contract obligations. This work is heavily in train and RLB as our technical advisors are currently reviewing for us the baseline information provided by the PFI Co. It will be important clearly to ensure that the buildings etc are well maintained, up-to-date with servicing, and all lifecycle replacement required has taken place so that we have achieved value for money throughout the contract and so buildings etc are not returned with outstanding maintenance or lifecycle costs which we have already paid for through the PFI costs.
- 3.3 Secondly, as we draw nearer to expiry there is the need to understand how the returning assets, services and staffing will need to fit within each of the Academy Trust structures and within existing arrangements for the two LA maintained schools. This work is just beginning, and contact meetings have been arranged with each of the six schools this month to start to shape a plan for each of the schools individually as we move towards 2026 expiry.
- 3.4 Future updates on progress will be brought to the Schools Forum on request.

4. Recommendations

Forum members are asked to:

- **Note** the information within this report, and to receive further updates on this project as further implications emerge.