

Appendix A

Estimated costs of implementing Southampton's Building Schools for the Future Programme (based on a BSF bid in the order of £150m)

Capital funding (Design & Build schemes)	£15m - £30m in total	Assuming a £150m Funding Model allocation, a shortfall of 10% - 20% could be assumed depending on the Council's plans	Capital
Procurement of Local Education Partnership – Project Management Team	£3m - £6m in total over 3 years.	Dependant on mix of internal / external staff	Revenue – over 3 year period
Client Management of Local Education Partnership /Special Purpose Vehicle	Minimum £200,000 Per annum	From financial close onwards for duration of Implementation Programme (7 – 10 years)	Revenue – for a 7 – 10 year period
Investment in Local Education Partnership	£50,000 - £100,000 in total	Based on 10% on LEP with equity and working capital requirements of between £500k - £1m	Revenue – One Off
Investment in Special Purpose Vehicle (PFI)	£250,000 in total per scheme (maybe more than one scheme).	Based on £25m of capital for a PFI scheme. The Council's investment will be a 10% share of the equity requirement (90/10 debt to equity ratio)	Revenue – One off per PFI scheme
PFI revenue contribution	£300,000 per annum for a £25m scheme per scheme (maybe more than one scheme)	The annual contribution will be very dependant on PFI credits, discount rate and swap rate.	Revenue – ongoing for 25 years

Schools Contribution to ICT managed service	Minimum £110+ per pupil per annum	Schools will receive £1,450 per pupil (less any top slicing) and will need to make the annual contribution to the managed service which they will be required to buy into.	Revenue - ongoing
Lifecycle costs for a Design & Build scheme	Annual contribution to sinking fund to top up current annual contributions	<p>In order to maintain a building over a 25 year life to a suitable standard it can broadly be assumed that :</p> <ul style="list-style-type: none"> • A new school will require 25% of its original capital cost over a 25 year life • A refurbished school will require 40% over a 25 year life 	Revenue