
SUBJECT: Technical Adjustment for Private Finance Initiative (PFI) schools
DATE: 11 December 2024
RECIPIENT: School's Forum

SUMMARY:

The Schools Forum is asked to vote on the Technical Adjustment for PFI schools

BACKGROUND and BRIEFING DETAILS:

1. In Southampton there are 3 schools with Private Finance Initiative (PFI) contracts. The contract period for all schools is 30 years, from 29/10/2001 to 28/10/2031.
2. In previous years a PFI factor has been included to support the 3 PFI schools that have unavoidable extra premises costs, because they are a PFI school and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.
3. Additional funding is provided to Southampton schools within the Premises Factor of the schools block allocation. In 2024/25 the PFI Factor was increased by Retail Prices Index excluding mortgage interest payments (RPIX), which was 10.4% for the year to April 2023 which increased the value from £738,000 to £815,746.
4. The recent policy announcement indicates that the PFI Factor for 2025/26 will be increased further by RPIX. It is recommended that the revised PFI Factor is fully allocated to the 3 PFI schools.
5. The APT allows for a technical adjustment to disapply the PFI costs so that the PFI schools benefit from the Minimum Funding Guarantee (MFG) like every other school.
6. **A vote is required from maintained and academy schools to approve the technical adjustment relating to the PFI costs.**

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