

Briefing Note for Schools Forum

DSG – PFI Budgetary Contributions

Minute 66 (2) of the Schools Forum Meeting of 2nd March 2012 requested **‘That a further report is presented to the 20th April, 2012 meeting of the Rotherham Schools’ Forum relating to the increased charges that had been applied under the PFI contract over the past three financial years and providing an update on the ongoing contract negotiations.’**

The table below shows the annual increase in the DSG contribution to the PFI contract.

<u>PFI Schools DSG Contributions</u>			Actual RPI-X Increase	RPI-X Element	Benchmarking
	£	£		£	£
2009/10	2,623,139				
2010/11	2,988,717	365,578	4.63%	121,451	244,127
2011/12	3,233,435	244,718	5.11%	152,723	91,995
2012/13	3,445,000	211,565	3.99%	129,014	82,551

As discussed at the meeting on the 2nd March 2012, the Council’s payments to Transform Schools (Rotherham) Limited are linked to January’s RPI-X index. In addition, the contract allows five yearly benchmarking of Balfour Beatty’s Facilities Management costs, this is a standard provision in PFI contracts. As previously agreed by Schools Forum, stepped increases were built into the DSG contribution to fund contract payments.

With regard to the ongoing contract negotiations, a meeting was held on the 30th March 2012 between David Hudson, Headteacher, Wickersley School and Sports College, Andrew Bedford, Strategic Director, Resources and Kevin Walker, Services Director, Balfour Beatty Capital. The meeting was a productive one. Jane Parrinder, General Manager, Rotherham Schools, Transform Schools (Rotherham) Limited has secured a new position so will be leaving the Rotherham contract very shortly. Kevin will ensure that Rotherham Heads will be represented on the Appointments Panel for the new manager. Transform Schools (Rotherham) Limited and Balfour Beatty Workplace are also in the process of revising the Rotherham Concession structure, making it more customer focussed. It is anticipated that these measures will address the schools’ concerns.

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