



European Investment Bank (EIB)

Luxembourg, 18 December 2020

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	Priority Schools Building Programme (PSPB)
Project Number:	2013-0549
Country:	United Kingdom
Project Description:	The Priority Schools Building Programme is a programme to rebuild 261 of England's schools in the worst conditions. The Education Funding Agency (EFA), part of the UK Department for Education (DfE), is responsible for its delivery and has chosen to finance 46 of these primary and secondary schools with limited recourse Project Finance, split into five batches. The remaining schools will be financed through direct capital grant and are not covered by this operation. A single Board approval will be sought for all 5 batches based on high level due diligence, with more specific detailed due diligence to be undertaken for every single batch as the programme progresses through procurement.

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion.

The promoter competitively procured the services of an Aggregator Funding Vehicle (AFV), which was responsible for providing finance for all of the five batches. The 45 schools (one school was dropped by the EIB from the NW batch prior to financial close) were clustered into five batches on a geographical basis and were procured independently:

- (i) Seven secondary schools in Hertfordshire, Luton and Reading (HLR);
- (ii) Six primary and six secondary schools in the North East (NE);
- (iii) Six primary and five secondary schools in the North West (NW);
- (iv) Seven secondary schools in Yorkshire (YS); and
- (v) Eight secondary schools in the Midlands (ML)

The five batches achieved financial close between 2015 and 2016. All of the school buildings and post completion works are completed.

No major environmental and social risks related to the construction activities were identified at the appraisal stage, beyond those related to:

- (i) the management of contaminated soils found at Belle Vue School (Yorkshire batch) and other nine construction sites of the Midland batch; and
- (ii) the need to manage dangerous chemical components as part of the demolishing activities associated to the construction of three schools of the YS batch (Belle Vue, Carlton Bolling and Harrogate).

The mitigation measures adopted through the construction management plans effectively avoided the materialisation of potential adverse impacts associated to these risks. These mitigation measures consisted in the adoption of adequate remediation measures and the selection of foundation solutions for the Belle Vue building minimizing the need to extract and



European Investment Bank (EIB) Luxembourg, 18 December 2020
dispose of potentially contaminated soils; in addition, the application of best construction practices for the management of hazardous waste.

As for the operational phase, the project allowed to put in place a management system to ensure that these educational facilities are properly maintained in the long run, reducing energy consumption associated to school activities and therefore minimizing their environmental impact and contributing to wider climate change mitigation efforts. According to the latest operational reports, the management of the reconstructed school facilities substantially conformed to the service output specification, including those related to energy consumption.

Besides the obligation to provide copies of the relevant building permits (development consent), all of which were provided before the start of construction operations, no other significant environmental and social issues were reported by any of the SPVs responsible for delivering their respective batch of schools. No EIAs were required for any of the sites and this is evidenced through the development consents received.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter, site visits by the EIB team and inputs provided by lenders' technical adviser during construction and early stages of operation that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.