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Education Construction Market UK 2009-2013

New AMA report Reviews Developments in the Education Construction Market

"The Government is investing £21.9 billion of capital into the school estate between 2008 and 2011 as part of the Comprehensive Spending Review (CSR) 2007. In March 2009, the Government also announced that it was accelerating almost £1 billion of investment to enable thousands of school projects to be started in the next 12 months, which means that **overall schools capital spending** in 2009-10 will now be almost £8 billion – up from under £700m a year in 1997."

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.com.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

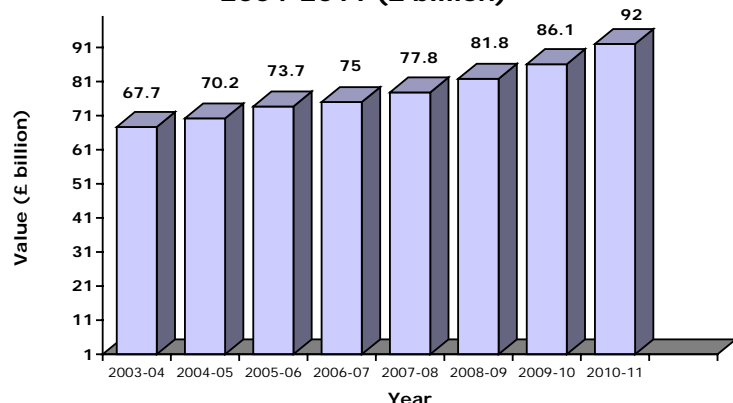
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Andrew Hartley or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed; it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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Value of Total UK Education Expenditure
2004-2011 (£ billion)



Over the last 12 years, capital expenditure on school buildings has risen from under £700 million in 1996-97 to £6.7 billion in 2008-09 and will rise to around £8 billion in 2009-10. A number of capital building programmes in the education sector are now well underway including the **Building Schools for the Future (BSF) Programme**, the **Academies Programme** and the recently announced **Primary Capital Programme** to rebuild and refurbish 50% of primary schools.

The Government is investing £21.9 billion of capital into the school estate between 2008 and 2011 as part of the Comprehensive Spending Review (CSR) 2007. In March 2009, the Government also announced that it was accelerating almost £1 billion of investment to enable thousands of school projects to be started in the next 12 months. Around £919 million has been brought forward, which means that **overall schools capital spending** in 2009-10 will now be around £8 billion – up from under £700m a year in 1997.

Going forward, the £45bn **Building Schools for the Future (BSF) Programme**, which is scheduled to run until 2020 will be of particular interest to **new entrants** because Partnerships for Schools, the body responsible for delivering the programme, has just released a tender notice for a **new £4bn framework** that will give up to 12 contractors a chance to win academies work under the scheme. The **National Framework for Academies** could be another major source of new work in the schools sector. Currently more than half of new academy build projects are being procured through frameworks, with the remainder being delivered through Local Education Partnerships.

The **Primary Capital Programme**, which aims to rebuild or refurbish 50% of England's 17,000 primary schools over 15 years, is also being launched in 2009 and will see a total investment of £7-9 billion over its lifetime and around £1.9 billion until 2011.

Universities are also being urged by the government to bring forward spending plans to provide an impetus to the construction industry during the economic downturn. The Higher Education Funding Council for England is advancing £200m before next April to help get £280m worth of projects off the ground.

The current economic climate is providing an opportunity for the **student accommodation sector** to meet the need for accommodation through joint university and private sector development and take advantage of falling site prices and declining construction costs.

The Government's capital programmes for primary and secondary schools have had a huge impact on education spending in the UK with an estimated £100 billion being spent from now until 2020 and the largest proportion is being spent across London and the South East. BSF accounts for £9bn of the £22bn being spent on **education construction** in this spending review period, which runs until April 2011.

In the short and medium-term it is the **availability of funding** that will be the **key driver** in the viability of both schools and higher education building programmes. However, the long-term nature and prevalence of large projects in BSF, the Academies Programme and the Primary Capital Programme should help boost education construction activity and help counteract output falls in the commercial and private residential sectors.

AMA Research's "**Education Construction Market – UK 2009-2013**" report is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 0871 3103450.