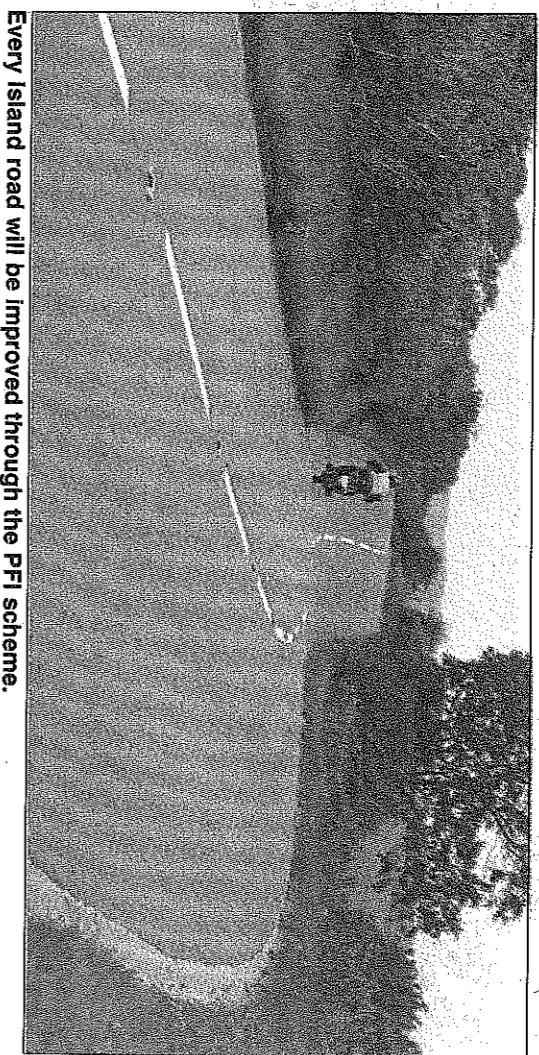


PFI-Progress For the Island

In 2006, the Island applied for million to help completely rejuvenate the Government money under the Private Island's roads and streetscene. Finance Initiative (PFI) to greatly improve Island transport infrastructure and to maintain it for 25 years.

In 2008, the council became one of only three authorities – and the only rural area - to qualify for this funding. It means the Government has currently allocated a grant of up to £325 million to help completely rejuvenate the Island's roads and streetscene. The council is now undergoing the necessary but complex procedures to finalise the scope of the PFI, maximise the wider opportunities of this investment and then appoint a partner to complete the work. Below is more information about the PFI and its benefits.



Every Island road will be improved through the PFI scheme.

Once In A Lifetime Opportunity For the Island

The Way Forward for Regeneration

EVERY stretch of the Island's highways network is in line for a complete overhaul in a massive regeneration project that will have a number of substantial spin-off benefits for local people and the economy.

For besides the road improvements all pavements, rights of way, cycleways and streetlighting will be brought up to the standards residents expect.

It will be the largest engineering project ever undertaken on the Island bringing with it a number of associated benefits including job, education, training and economic opportunities. At the same time, great care will be taken to preserve and enhance the Island's environment.

Through the PFI, the Government gives the Island a grant – the council has asked for up to £400 million, which does not have to be repaid - to finance the improvement work. For its part, the council makes its own commitment to those services and activities specified within the scope of the PFI contract – a contribution of around £11 million a year which is roughly

the amount currently spent on those services.

Because the contractor is paid only on completion of work, the council can ensure that all work is carried out to the expected standard and on schedule.

The PFI represents the only way in which the Island could attract the funding necessary to carry out such a substantial and comprehensive highways improvement project.

But while the project is primarily aimed at improving and maintaining our roads and streetscene, such massive investment raises numerous other opportunities to improve Island life. For example, it is hoped such a vastly improved infrastructure will help attract new business. Aspirations for the PFI are such, the council hopes the total value will be worth around £4 billion to the Island.

The council's PFI team is working to ensure this huge inward investment brings maximum benefit to the Island. To find out more on the PFI, what it means for you and how you can benefit, visit <http://www.iwight.com/highways-pfi/>

Today (Friday 21st August) for example, a local business day is being held in Newport. The purpose is to explain the scheme in detail to the Island's business sector and – just as importantly – urge business people to get involved. Organisations such as Business Link, the IW Chamber of Commerce, Tourism and Industry and the Solent Innovation and Growth Network will also be attending.

Regeneration

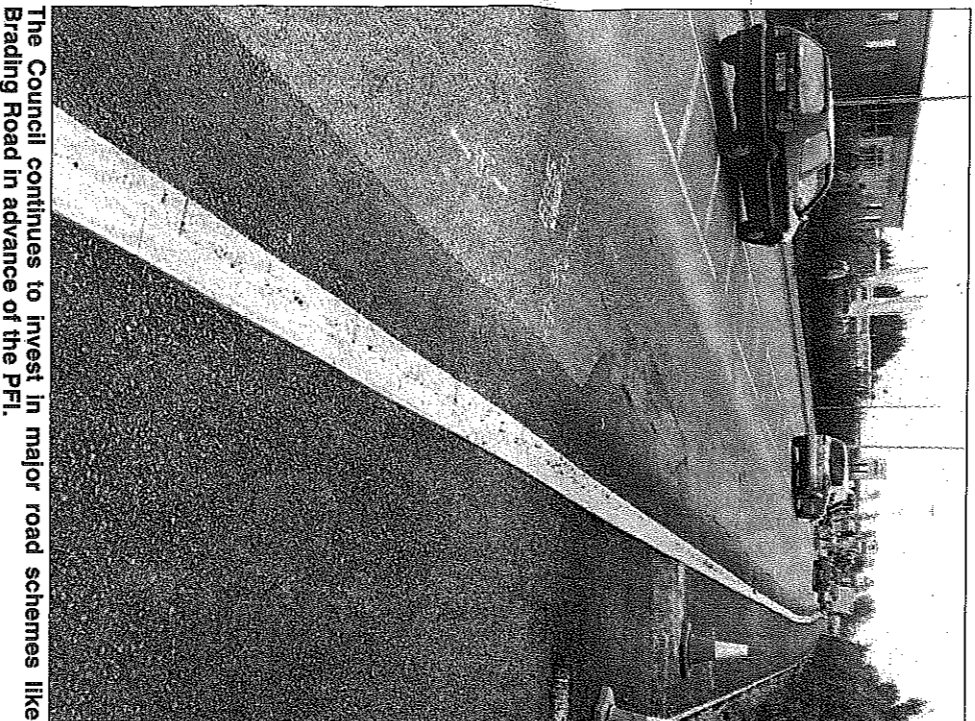
Getting our highways up to scratch and maintaining them at that high standard for 25 years requires a massive amount of work and investment.

The Isle of Wight Council is keen Island companies and individuals gain the maximum benefit from the opportunities the project brings.

While improved infrastructure benefits all, there is a chance for many individual sections of the community to get involved in this once in a lifetime project.

“Not only will they grow up to benefit from the vastly improved infrastructure, it is they who may be able to find work or a career within, or allied to, this massive engineering project.”

“We need to ensure the Island is fully aware of all the benefits the PFI brings. But equally, I would like to think that the Island too will look to make the most of the opportunities.”



The Council continues to invest in major road schemes like Brading Road in advance of the PFI.

The Journey Towards Better Roads

THE SCALE and scope of the PFI is so huge, a great deal of work is required before road-works begin.

Because the PFI agreement is for 25 years, both the council and the partner chosen to undertake the work must have clear agreement on aspects including the scope and specification of the work and the exact timetables over which it will be delivered.

The council also has to show Government that it will be cheaper to do the work by PFI than by the normal public sector route. The council estimates the cost of the work currently envisaged will be 12 per cent cheaper than if it were done without using PFI.

Last week, the authority reached a milestone in the

process when it approved its Outline Business Case setting out the maximum scope of the project.

The OBC now needs Government approval and it is possible – through ongoing dialogue with the Department for Transport and then the eventual partner - that some elements in the OBC might change over time.

It is the complex nature of the PFI process - and the need to ensure the eventual scheme is exactly the right one for the Island – that dictates the project timescale. Actual work on the roads should begin in April 2013.

In the meantime, the council will continue to invest millions of pounds maintaining the Island's highways network.

Q - Is the PFI a loan that has to be repaid?
A - No. The PFI money from Government is a grant. It does not have to be repaid.

Q - How long will the major roadworks take?
A - Most of the resurfacing and reconstruction work will be in the first seven years of PFI. Government normally expects this initial work to be done in five years but the council, recognising limited opportunities for diversions and the importance of summer tourism, wants a longer period to minimise disruption. Because of the scale of work, some inconvenience will be unavoidable however.

Q - I read that the cost of the PFI has doubled – is this true?

A - No. What has changed is the 'scope' of the PFI. The council could receive up to £400 million of Government grant but is expected to contribute an annual sum - as it already does - towards the works. Initially an annual PFI contribution of £5.5 million

Commonly asked PFI Questions

was envisaged-but over time the PFI scope has broadened to include areas including a new floating bridge, a major scheme to strengthen Bournemouth Road, CCTV and on and off street parking. These are services for which the authority already pays but by adding these to the PFI they can be delivered more efficiently. So while the council's PFI contribution has increased, this largely redirects money already spent in these areas. They are not additional sums and the cost of PFI hasn't increased.

Q - The costs of preparing for the PFI are high though aren't they?

A - Yes they are – but necessarily so. We have one opportunity to get the PFI right and to do so must seek the best legal, financial and engineering advice and this expertise does cost money. There are also contractual and procurement processes that must be done by law and these too are costly.

However the money the council is spending - £7.6 million - compares favourably with that being spent

on similar schemes and will be small compared to the benefits PFI will bring. The figure is realistic, covering all expected costs up to work starting. It includes all money spent so far and a contingency to cover unexpected costs.

Q - How will the PFI make a difference to me?

A - The project will benefit everyone by bringing unprecedented investment to the Island's transport infrastructure. The project scope is such that there will be a variety of career opportunities over the 25-years of the PFI from project managers, engineers and designers to construction and maintenance workers. To maximise this opportunity, the PFI team will work with local educational, training and employment bodies. A vastly improved infrastructure should also prompt other businesses to set up here bringing other diverse employment opportunities.

To find out more about these opportunities contact the PFI team via <http://www.iwight.com/highways-pfi/>