

Manchester, Salford and Trafford (MaST) LIFT

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As LIFT (Local Improvement Finance Trust) projects go, the Manchester, Salford and Trafford (MaST) NHS project stands out from the crowd – it's quite simply the biggest and most ambitious LIFT project to close to date, writes Edward Berry.

As a PPP project structure in the UK, LIFT is now tried-and-tested, but given the complexity and size of MaST, the deal was a significant step forward in the roll-out of the LIFT programme.

The venture – which closed on 1 July 2004 with an initial capital value of £75m (US\$143m) – brings together six primary care trusts (PCT), three local authorities and the Greater Manchester Ambulance Service.

The project – to reshape and develop health facilities in the Greater Manchester area – will be delivered in at least two parts and involves 13 separate tranche one schemes. The initial phase to construct one-stop surgeries will be carried out in four areas – Benchill, Douglas Green, Partington and Wythenshawe – and will cost around £20m (US\$38m).

The remaining nine schemes – Ancoats, Brunswick, Openshaw, Lower Kersal, Cheetham, Swinton, Eccles, Pendleton and Walkden – will add a further £55m (US\$105m) capital value to the project over the first five years as they are brought forward.

ExcellCare – a JV between Equion (a Laing subsidiary) and Bank of Scotland – was appointed as the scheme's private partner, bringing experience from its having dealt with five other LIFT schemes across the country. Four of these projects are now in construction (Sandwell, Greater Nottingham, South Derbyshire and Leicester) and the North Nottingham LIFT is currently at preferred bidder stage.

Public sector representatives come from the PCTs of Salford, North Manchester, Central Manchester, South Manchester, Trafford North and Trafford South and Partnerships for Health (PfH).

Laing O'Rourke Northern – which has been working on LIFT projects with ExcellCare since 2002 – will carry out construction work. Supply chain partners include Secta, FSquared, Taylor Young and Equion Facilities Management.

The Project

The MaST LIFT company carried out a detailed survey of the Greater Manchester area to discover what healthcare facilities residents needed and where they should be located. The programme was drawn up based on the needs of local communities to deliver a greater choice of healthcare facilities and provide the public with better access. Local GPs were also involved in the planning process to ensure the developments meet their needs.

One of the principal aims of the scheme is to relocate GPs who are working in practices that are lacking basic patient facilities into more spacious, modern facilities. The new premises will give GPs the chance to offer a variety of services under one roof including treating people with minor injuries, who would otherwise have been referred to a hospital.

New developments will include ambulance services and facilities previously restricted to hospitals, such as diagnostic,

minor surgery and rehabilitation clinics.

ExcellCare was named preferred bidder for MaST on 2 April 2003 – the 13th LIFT project to close on a national level and one of the first wave of sites established by PfH.

The initial phase of schemes is as follows:

Scheme	Development	No of Practices	No of GPs	Construction Value (exc. land costs)	Timetable-Practical Completion	Freehold/Leasehold
Douglas Green Salford PCT	Primary Care Resource Centre	-	-	£1.96m (US\$3.75m)	September 2005	Freehold
Partington Trafford PCT	Health Park Primary Care One Stop Shop	2	5	£3.21m (US\$6.14m)	November 2005	Freehold
Benchill S Manchester PCT	Primary Care One Stop Shop	2	6	£4.75m (US\$9m)	December 2005	Freehold
Wythenshawe S Manchester PCT	Health Forum Primary Care One Stop Shop	2	8-10	£4.68m (US\$8.95m)	February 2006	Leasehold

The smallest, but most innovative of the four schemes is the development at St Sebastian’s Church, Douglas Green of a £1.96m resource centre – designed by Triangle Architects of Manchester. The centre will provide core health services – with a number of specialist services for children and young people – and expert patient programmes. There will also be facilities to cater for several community services vital to the area, a base for the food co-op and a pharmacy. The health care centre at Partington will have an on site pharmacy and will have space to accommodate a dental suite too.

The Benchill scheme will house a community dental service, district nursing service and a PCT therapy service alongside its two practices.

The biggest of the four schemes is the £4.68m centre at Wythenshawe which will form part of the Wythenshawe Forum – a local leisure centre, library and conference centre. The scheme includes a walk-in NHS centre, a family planning clinic and other nurse-led clinics. A community dental service will be available at the centre as well as minor operating suites and a PCT therapy service – podiatry, physiotherapy, community mental health and speech therapy.

The LIFT deal

The LIFT company is split between the primary care trusts, ExcellCare and Partnerships for Health with a ratio of 20:60:20.

According to sources at ExcellCare, the first four of the remaining schemes – Ancoats, Brunswick, Openshaw, Lower Kersal – are forecast to reach financial close by the end of March this year.

The final five projects – Cheetham, Swinton, Eccles, Pendleton and Walkden – are slated for closure before the end of 2005.

Given the large number of schemes under the project, the timeline for the project is hectic.

‘Trying to close 13 schemes at one time is a very tall order, so ultimately it was broken down into four initial schemes, with the subsequent batch of schemes to come forward,’ says Bank of Scotland director of infrastructure finance Bruce Balfour.

The Contract

Bank of Scotland is the sole funder for the project and has provided an initial £40m (US\$72m) debt facility that will cover the first eight schemes of the project. Equity for the first four schemes is £2.46m (US\$7.2m). The loan has a 25 year debt

tenor.

ExcellCare’s legal advisor is Denton Wilde Sapte and its financial advisor is PwC. The legal advisor to the bank is McGrigor Donald (now operating as McGrigors) and legal advisor to the government is Bevan Ashford (now Bevan Brittan).

Conclusion

The closure of this substantial LIFT project was anything but 13th time unlucky. It saw the tried-and-tested financing rolled out once more for a project that brings the whole of Greater Manchester GP care under the one umbrella in a scheme that has its fair share of twists and turns.

Although it sticks to the basics of bringing the financing of the upgrade and new-build of a number of health centres into the one project, the MaST scheme is fractionated into different stages to allow the contractors to carry out all the construction work and timetable the start of each centre.

As Brian Johns, chief executive of PfH, says: ‘These are challenging and rewarding times that clearly mark a huge step change in how primary and social care will be delivered across Greater Manchester.’

John Glester, chairman of the strategic partnering board and acting chairman of MaST LIFT said the scheme would improve the range and quality of health and social care facilities for the people of Manchester, Salford and Trafford and ‘make an important contribution to the continued regeneration of the conurbation.’

This is what Manchester area can expect to see, but due to the size of the project, those in the north west of England will just have to be patient.

The project at a glance

Project Name	LIFT MaST Project
Location	Manchester, Salford and Trafford, north west England
Description	Delivery of 21st century primary health and social care and local authority facilities in Manchester, Salford and Trafford under the Local Improvement Finance Trust (LIFT) initiative
Sponsors	ExcellCare Ltd (60 per cent); Primary Care Trusts (20 per cent); Partnerships for Health (20 per cent)
Operator	Equion Facilities Management
D and C Contractor	Laing O’Rourke Northern
Total Project Value	£75m (US\$135.5m)
Total Senior Debt	£40m (US\$72.8m) for the first eight schemes
Total Equity	£2.4m (US\$4.7m) for the first four schemes
Debt: Equity Ratio	90:10
Pricing	Undisclosed
Tenor	25 years
Initial Mandate Lead Arrangers	Bank of Scotland
Financial Advisor	PricewaterhouseCoopers
Legal Advisor to banks	McGrigor Donald
Legal Advisor to government	Bevan Ashford
Legal Advisor to Sponsors	Denton Wilde Sapte
Lead Architects	Taylor Young
Date of Financial close	1 July 2004

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