

Questions and Answers

1 Why was LIFT set up?

LIFT was set up to enable the supply of new public buildings whilst tackling some of the shortcomings of the Private Finance Initiative.

Each LIFT company is a partnership between the public sector and the private sector.

The LIFT process aims to renew tired and ill repaired public buildings; encourage new integrated ways of working between public agencies and contribute towards regeneration of the area.

By ensuring that each LIFT company has been through the OJEU process at its inception LIFT is enabled to work more quickly and efficiently than other organisations.

Furthermore by having standard legal documentation then the initial set up costs can be spread over 25 years and diluted through a large pipeline of schemes providing true Value for Money.

The private sector for its part brings its expertise and knowledge procuring finance, building and facility management to supplement knowledge in the public sector. By working together we seek to achieve the best of both worlds.

2 Won't the new coalition government abolish LIFT?

All three of the political partners have signaled their support for LIFT. Nationally LIFT has been seen as a success story which has delivered quality, value for money buildings for and in partnership with its public sector partners.

3 What services does LIFT offer?

Traditionally LIFT would design, construct and manage its buildings which are leased to its clients.

LIFT is now able to do more traditional third party developments and non building related work such as service delivery or refurbishment work, including working with Community Ventures and social Enterprises.

4 Why use LIFT?

Value for Money: LIFT offers value for money. All schemes are rigorously and independently market tested. The adoption of common documentation and legally constituted delivery vehicle's saves costs increasingly as more projects are developed whilst guaranteeing high service level agreements. LIFT buildings are always well maintained and 40% of any profits and assets remain within the public sector.

Delivery and flexibility: LIFT has a track record of delivery and has delivered £2billion worth of projects across England in the last 5 years. LIFT is OJEU compliant which saves time and additional expense on project delivery. LIFT is also flexible and can respond to changing estate strategies within the public sector to meet their needs with timely and cost effective methods.

Partnership: LIFT is a partnership company which works to meet its partners' goals. By providing a seat at the table for each of its shareholder in both the public and private sectors the company ensures transparency. LIFT also works to meet the needs of its community.

Quality: Buildings are of a very high standard and are flexible in their design – i.e. they can be adapted to meet future service needs. Buildings which are owned and managed by LIFT are maintained to the highest standards as over the 25 year life span of the building with the cost of repairs and renewals for wear & tear to furnishings, decoration, etc built in to the contract on guaranteed 5-7 year lifecycles.

5 We're not part of the health service, can we use LIFT too?

Yes.

It is true that LIFT was a health service initiative.

But as more and more public bodies move towards integrated services LIFT has managed to play a wider role in delivery.

- Burnley LIFT has developed a new leisure centre for the local council
- In Wirral LIFT has built a new library.
- In Bradford LIFT has commissioned and delivered a 'Total Place' strategy for all 11 public organisations.
- North Staffordshire & Stoke LIFT has developed housing in conjunction with a health facility.

The key is delivering and maintaining quality buildings at an affordable and dependable cost for its public sector partners.

6 Aren't LIFT buildings expensive and do they provide value for money?

ACTUALLY NO. All of LIFTs developments undergo independent rigorous testing for value for money.

Firstly all of the supply chain is market tested for the best deal;

The buildings have to fit within the affordability cap of our clients and discussions are held on this throughout the development;

Value for money has to be demonstrated through the production of robust business plans which are benchmarked against leading sample schemes for cost/benefit.

As part of the process all of our clients are advised to use independent industry experts to test on their behalf for value for money.

7 So why do people say they are expensive?

Those people who say this are almost invariably not comparing like for like. Equally comparing new building costs with existing run down stock is not helpful.

LIFT buildings and the accompanying Lease Plus Agreements have the whole Facility Management and Lifecycle costs built into them for the full 25 years – including set service level agreements which if breached result in the loss of rent to the LIFTCo.

Then there is the risk that if something goes wrong. If this happens then the cost of that risk is carried by the LIFT Company.

Traditional build costs do not include the true costs of the above. That is why so many public buildings fall into disrepair and often have to be taken out of use.

8 Isn't LIFT bureaucratic?

The LIFT Company has targets to achieve. If a repair needs doing it MUST be completed within 5 hours or 5 days of being reported subject to the seriousness nature of the fault.

In terms of the LIFT process itself the legal documentation is no more or less bureaucratic than any other organisation.

In fact, once the LIFT agreements have been set up then they can be applied to all future developments. The more schemes LIFT completes the cheaper the cost.

9 What happens to the buildings after 25 years?

The clients have a number of options:

They can come to a new agreement to continue leasing the building or

They can buy at the price set by reference to the calculation contained in the contract which is a discount on current market value or

They can walk away from the building

Remember, 40% of the building is publicly owned so our partners will also get a share of any profits which will be made.

10 Do we have to have a lease plus agreement?

No. The LIFT Company is flexible and can deliver solutions to your needs.

LIFT can carry out third party developments on your behalf. It is also able to carry out design and build contracts, refurbishment and other service led consultancy work on your estate strategy.

11 How good are the buildings LIFT provide?

The buildings are designed in partnership with our clients.

Flexible design is promoted so that any future changes in service delivery model can be catered for in adapting the buildings.

LIFT will always seek to achieve the best design within the cost envelope of the scheme. Many schemes have won awards for design, community improvement, enhanced patient experience and health service delivery.

Not only that but LIFT buildings are third party insured by the LIFT ensuring they can be utilised 24/7, fully comply with all current regulations and meet the sustainability agenda under Breeam **WILL ALWAYS BE IN A GOOD STATE OF REPAIR**. Any loss of space or a complete building due to fire, flood etc leads to severe financial penalties for the LIFT company and the guarantee of suitable alternative accommodation for the repair duration – it is very much in LIFTs interests to ensure the highest levels of maintenance and care.

12 What happens if something goes wrong?

Under the LIFT model there is an obligation on the company to ensure that its clients have access to the facilities at all time. Should LIFT fail to do this then it will have to pay commensurate compensation to its clients or provide appropriate alternative accommodation for a limited period of time during the rectification period.