

SERCO News

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SERCO'S ROLE IN MAJOR NEW DEFENCE FACILITY

Further to the announcement of preferred bidder status in February 1997, on 5 June 1998 the Ministry of Defence signed a contract with Defence Management (Watchfield) Limited for the procurement and operation of the new Joint Services Command and Staff College. Defence Management (Watchfield) Limited is a joint venture between Serco Investments Limited and John Laing Investments Limited. Serco will be investing approximately £7 million into the financing of Defence Management (Watchfield) Limited: £3 million as equity and £4 million as loans. £200,000 will be advanced in 1998 to 1999 with £6.8 million in 2000.

The contract, to be let under the Government's Private Finance Initiative, will be worth approximately £200 million at today's value for the 30 year period and will provide a centre for training staff officers of all three Armed Services. Defence Management (Watchfield) Limited will be required to provide the complete academic and residential facilities, including married residential accommodation, at the new site on MOD land at Shrivenham, near Swindon. The Staff College will become operational in September 2000 and Defence Management (Watchfield) Limited will then provide the support and maintenance services and academic staff for the remainder of the contract term.

Serco will operate the facility, providing all of the maintenance and other support services. This will include the operation of the library, management of the academic facilities and resources and the provision of hotel services. John Laing will undertake the design and construction of the facilities.

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