

UK's PPP Programme – experience and lessons learned

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Common Features of PPP Programmes

- Applied across a broad range of sectors
- Mostly applies where major capital investment is required
- Based upon long-term (e.g. greater than 10 years) arrangements
- Private sector capital at risk to performance in the delivery of public services
- Fixed price, output-based contracts for service provision

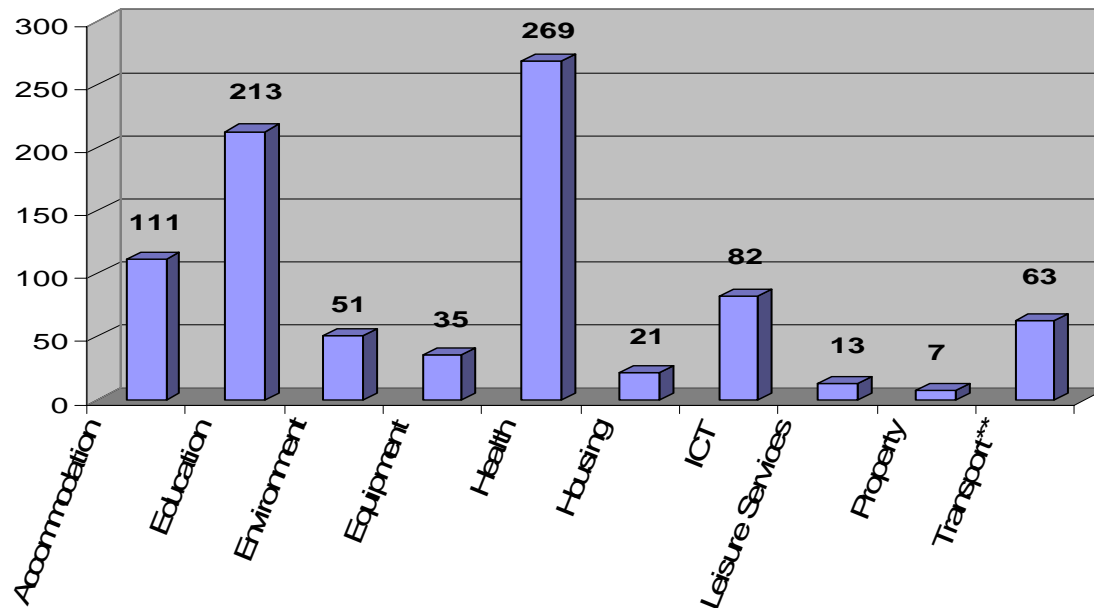


Brentside School., London

UK PFI Programme

885 projects signed worth US\$110 bn of which over 675 are now operational

Number of Deals Grouped By Sector



Benefits of PPPs

- Delivered tangible improvement in public services
- Real risk transfer: over 80% of projects completed on time and on budget
- Operational satisfaction levels are high: 80% or higher
- Antidote to short-termism in both public and private sectors
- Improved the quality of public sector procurement
- Contestability in delivery of public services



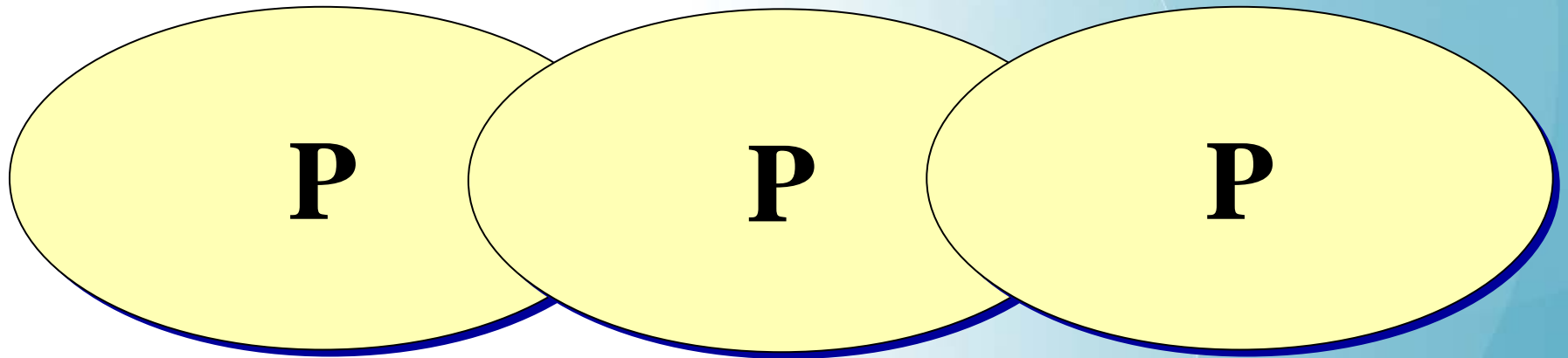
British Embassy, Berlin

General Lessons

- High level commitment
- Clarity of requirements
- Clarity of market capacity
- Market shaping and competition
- Methodology and quality control in project preparation
- Capacity to manage contracts
- Not all projects are suitable
- Programmes of investment are better than one off deals
- Complexity: public sector skills difficult to retain – some central support makes sense
- Importance of communication



Forest Holidays



Public Sector

Partnership

Private Sector

Service Requirement

Service Delivery

Databank

HM Treasury

www.hm-treasury.gov.uk

- Guidance/policy
- Green Book

Partnerships UK

www.partnershipsuk.org.uk

- Guidance/standardised agreements/links
- Project Database

National Audit

www.nao.gov.uk

- Value for money reports



West Middlesex Hospital



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