UK PFI programme development

897 projects, £78bn capital value, of which 691 now operational
UK Public Sector PPP Institutions

- Devolved Government PPP Policy Units
- Other key support bodies e.g. 4ps PPP support to Local Authorities
- Department Private Finance Units
- Partnerships UK PPP Implementation
- HM Treasury PPP Policy
- Auditing bodies e.g. National Audit Office
- Partnerships for Schools PDO
Partnerships UK (PUK)

Established by Treasury to support PPP policy and help public bodies deliver successful PPPs.

JV between public and private sectors.

Able to invest at risk to a successful outcome.

A driver of joined-up Government and HMT’s “Corporate memory” on PPPs.

Central resource of best practice and guidance, implementation, transaction skills and market knowledge in PPPs.
PUK Ownership Structure

- HM Treasury (45%)
  Scottish Ministers (4%)
- Advisory Council
  HMT Perm Sec Chair
  UK-Wide Public Sector representation
- PUK Investments
- Private Sector Investors
- Board
  2 HMT Nominees inc. 1 Sh. Exec.
- Partnerships for Schools
- DfES
Supporting public sector reform in the provision of public services

Central support and development
- Expert support to policy owners
  - PFI
  - ITC
- Approval bodies
- Development of new markets

Complex procurements
- Project delivery
  - PFI
  - ITC
  - JVs
  - Public sector led
- Development of new procurement models

Community based service delivery
- Non capital intensive service delivery
- Managing central/local interface

Risk capital / Co-principal
- Program delivery development funding
- Project co-sponsor
- JV equity

International
- Training
- PPP Institutional set up
- Programme/project support
- Project Quality Assurance
- Window on the world
Operating Characteristics

• Not transaction advisors
• Designed to address technical capacity constraints in the public, not private sector.
• Senior strategic / project board level
• Joining up stakeholders
• Innovative, difficult, pathfinding work
• Help desk support
• Close to, but not part of, the supply side market
• Source of neutral technical challenge – direct speaking
• Reach across UK central, devolved and local authorities
Approx 70+ specialists: mid to late career level

Specialists in

- Procurement
- Project management
- Law
- Finance: project finance, equity
- Public accounting
- Commercialisation of public assets
- Sectors: transport, health, education, housing, property, defence, waste, water, ITC, high technology

Drawn from private, public and third sectors
Revenue model

• Framework agreements across government
• Public sector clients only
• Not compulsion
• Not profit maximising – seek to balance revenue and costs
• Own balance sheet - can fund programme and project development/preparation
• Surplus can be deployed further to develop PPPs e.g. Project Database
Common challenges

• Locus and senior support

• Balancing regulation, innovation and project support

• Working with procuring authorities

• Attracting and retaining the right staff

• Combining commercial and public sector knowhow

• Funding
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