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Focus on PPP prisons.

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Importance of the worldwide Prisons PPP market.

Prison PPPs have been pathfinding projects

- 1996 Bridgend & Fazakerley prisons signed in the UK
- Now active and developing markets in UK, France, Germany, CEE, South Africa, Australia, New Zealand, Canada, Switzerland.

Setting the precedent...

Range of project structures

- “Full service model” (eg UK, SA) – Private sector provides accommodation, guarding and all prison services
- “Hospital model” (eg Europe)

Typically higher “operations” content than other sectors...

UK PPP prisons “firsts”

- Projects signed
- Refinancing
- Extensions

Operating issues, but no project defaults

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Operations.

Monitoring performance

- Availability risk – basic prison infrastructure
- Performance penalties and risk – restraints, meeting training targets, repairs
- Private sector can manage these risks – build in some spare capacity

There may be 100 or more daily measures of availability and performance...

Close working relationships critical

- Safety and security of the prison
- Following and monitoring the payment mechanism
- The contract is the mechanism, but contract management is the key

Monitoring picks up areas for improvement and partnering delivers these.

Effective contract management.

1. Use the contract and build relationships
2. Understand the monitoring process
3. Keep records
4. Active contract gives feedback and improves working relationships
5. Be prepared to challenge
6. Refresh and upgrade the contract and keep on top of minor changes

Discussion.



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