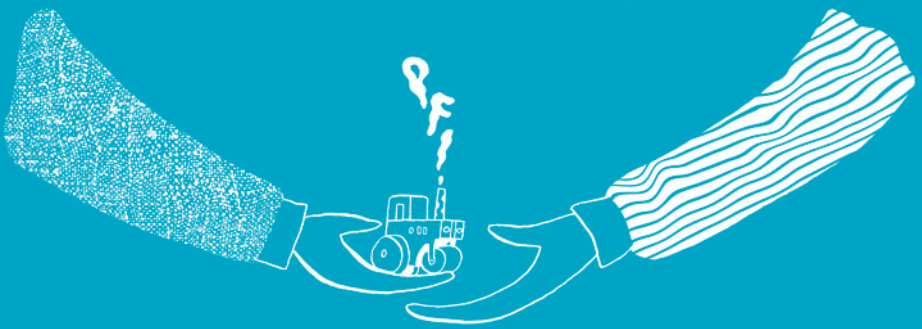


Public-private partnerships

The UK experience of roads and transport



One-week study programme
5 to 9 September 2011



PAI is accredited by the
British Accreditation Council
for Independent Further and Higher Education

About the programme

The United Kingdom Government introduced the Private Finance Initiative (PFI) in 1992 to facilitate closer co-operation between the public and private sectors and to introduce private sector skills and disciplines into the delivery and management of projects and services traditionally undertaken in the public sector.

The Highways Agency, which is responsible for trunk (strategic) roads in England, has said that it expects to procure about 25% by value of current and new major schemes using private finance contracts. Under the Design, Build, Finance and Operate (DBFO) method of procuring road improvements and maintenance, value-for-money savings averaging 15% have been delivered. The National Audit Office report on the first four projects concluded that they were likely to deliver savings of about £100m with two of the projects delivering savings of around 20% compared with conventionally procured alternatives. The Highways Agency has recently awarded its largest DBFO project, which provides for the improvement and maintenance of the M25 London orbital motorway for the next 30 years.

The new Coalition Government in the UK has recently announced the results of its Comprehensive Spending Review. This aims to reduce the deficit and, at the same time, stimulate the economy. More than £40 billion is being committed to support project investments including new high-value road schemes, one of the world's first carbon capture and storage projects, a high-speed rail network, Crossrail, two of the world's leading medical and engineering research facilities and the Green Investment Bank.

The Government plans to secure an investment of £200 billion over the next five years and intends to make this happen through smarter use of public funding, improving private sector investment models, encouraging new sources of private capital and addressing the regulatory failures that stand in the way of greater private sector investment in the UK's infrastructure. This indicates

that public-private partnerships and private investment will have a major part to play in the economic recovery.

Local Government is making extensive use of public-private partnerships and the private finance initiative to deliver projects and services. PFI is making it possible for local authorities to finance the renewal of roads, bridges and street lighting systems and to catch up on deferred maintenance with consequent savings in whole-life costs.

These innovations have brought significant benefits to the transport sector. Many of the risks associated with project design, delivery and operation have been transferred to the private sector with suppliers being incentivised to deliver high-quality projects on time and to budget.

This programme explores experience with a wide range of public-private partnerships within the UK transport sector, particularly in relation to roads and railways. It examines why these partnerships were set up, what benefits they have brought to both the Government and the public, and whether aspects of the UK's emerging "good practice" can be adapted for use in other countries.

How participants will benefit

The programme will:

- Broaden participants' knowledge of PFI and PPP schemes, their advantages and disadvantages and the key conditions for their success
- Enable participants to learn at first hand from the experience of UK public and private sector policy makers, administrators and managers
- Encourage participants to review the UK experience in relation to the institutional capacity required to deliver efficient public services, using private sector providers
- Help participants to consider what might be involved in applying the UK experience to their own countries
- Enable participants to exchange experience with counterparts in other countries dealing with problems that might lend themselves to a PFI/PPP approach.

Who is it for?

The programme is designed to meet the needs of parliamentarians, senior staff from Ministries of Finance and Transport, senior road agency staff, bankers and financiers, organisations planning to bid for PFI/PPP contracts from government, and consultants advising such organisations.

What the programme will cover

The programme will focus on five key topics related to PFI/PPP schemes:

- The rationale behind PFI/PPP schemes, the differences between them and whether they offer value-for-money
- How to access private sector finance and the specifics of how to design and let a transport sector concession
- Outsourcing public sector management and maintenance to the private sector
- The wider policy issues affecting PFI/PPP schemes, including what bankers, debt rating agencies, and financial markets think about these schemes
- Essential conditions for the success of PFI/PPP schemes, including the regulatory framework (monitoring and applying penalties), what to do when a concession goes wrong, and building an intelligent client to manage concession projects.

The programme will include presentations and discussions, together with briefings by senior government officials, bankers, concessionaires and specialists involved in designing and implementing PFI/PPP schemes. The

programme includes a site visit – generally to a major DBFO project, or to a local government road agency that has been “externalised” – to observe an example of a PFI/PPP scheme in action. Several presentations are made on-site at the offices of selected UK financial institutions to provide an opportunity to see these institutions at work. The programme also includes an extended case study exercise designed to examine how the lessons learned from the UK experience might be applied in other countries. This year’s case study deals with an unsolicited offer from a concessionaire and participants are required to: (i) evaluate and comment on the concessionaire’s offer; and (ii) prepare a Public Sector Comparator to test whether it offers value-for-money, using a specially prepared Excel spreadsheet programme. A key element for sharing experience and best practice will be sessions where individual participants are invited to give informal presentations on issues relating to PPP/PFI from their own country. In this context, participants may wish to bring with them any relevant reports, documents, etc.

“I especially appreciated the extent to which the speakers permitted intense grilling by participants. To me, the greatest value came via this facility. I think the programme has been very successful in this regard.”

Mr Roger Israel, Chief Technical Officer
Ministry of Works and Transport, Trinidad and Tobago

Programme outline

	AM	PM
Day 1	Welcome and introductions <ul style="list-style-type: none"> – General introduction – Overview of PFI/PPP schemes – PFI/PPP schemes 	Principles <ul style="list-style-type: none"> – Designing a concession – Participants' experience of PFI/PPP
Day 2	Accessing private finance <ul style="list-style-type: none"> – Value for money – Examples of UK PFI/PPP schemes – Participants' experience of PFI/PPP continued 	Case studies <ul style="list-style-type: none"> – PFI experience in the rail sector – M25 design, build, finance and operate (DBFO)
Day 3	Site visit <ul style="list-style-type: none"> – <i>Visit to a major DBFO project, or to a local authority where management of the road network has been delegated to a private sector entity</i> 	Outsourcing management <ul style="list-style-type: none"> – The Highways Agency experience – Outsourcing management and maintenance
Day 4	Wider policy issues <ul style="list-style-type: none"> – Financial markets' perspective – Banker's perspective of PFI/PPP schemes 	Policy issues <ul style="list-style-type: none"> – Case study exercise
Day 5	Conditions for success <ul style="list-style-type: none"> – Conclusion of case study – Creating an intelligent client – What to do when concessions go wrong 	Concluding discussions <ul style="list-style-type: none"> – Presentation of certificates of attendance

We reserve the right to change the programme as necessary.

Application form

**Public-private partnerships
The UK experience of roads and transport**

5 to 9 September 2011

Please complete this application form and post or fax to:

Clare Walters
Programme Manager
Public Administration International
10 Bayley Street
London WC1B 3HB UK
T +44 (0)20 7580 3590 F +44 (0)20 7580 4746 pai@public-admin.co.uk

Applications can also be completed online. Please see our website for details.
www.public-admin.co.uk

Please print clearly in black ink and in capital letters

Personal details

First name _____

Family name _____

Title (Prof. Dr. Mr. Mrs. Ms. etc.) _____

Nationality _____

Dietary requirements _____

Disabilities _____

Have you participated in a PAI study programme before? _____

If yes, which programme(s)? _____

Date of programme(s)? _____

Current position

Title of post _____

Employer _____

Address _____

Telephone _____

Fax _____

Email _____

Brief description of your main role and responsibilities _____

Application form

Education and professional training

Please provide brief details of your education and professional qualifications and training

School/college/university

Relevant professional qualifications or membership of professional bodies

Particular interests

Please indicate which aspects of the programme are of most interest to you

Sponsoring organisation

Who will pay your fees?

Who will pay your other costs such as travel and living costs?

How did you find out about the programme?

Value Added Tax (VAT)

I certify that I am employed by the Government of _____
in furtherance of its sovereign activities (please refer to note on VAT under 'Fees and other costs')

Signature

Date

We reserve the right to cancel the programme if there are not enough participants to make it viable. In these circumstances, fees already received will be refunded in full.

Language

The programme will be conducted in English. Participants will be expected to have a good working knowledge of the language.

Location and arrival arrangements

The study programme will be based in central London. On request, PAI can assist in finding suitable hotel accommodation and can arrange travel to and from the airport.

Fees and other costs

The fee for this one-week study programme will be £1,870. This includes tuition, travel to and from the airport in London, travel on scheduled visits¹ and documentation. UK Value Added Tax (VAT) will not be charged if applicants can provide written confirmation from their Government, or its accredited representative, that they are employed by their Government in furtherance of its sovereign activities. In all other cases, VAT (currently 17.5%, rising to 20% in January 2011) will be charged in addition to the fee. Payment in full must be received by PAI no later than 5 September 2011. Cheques should be made payable to Public Administration International. Alternatively, PAI is able to invoice individuals or government agencies. Payment by bank transfer is also acceptable.

Airfares, accommodation costs, daily travel (other than on visits scheduled in the programme), meals and living expenses are not included. We suggest that approximately £120 per person per day should be allowed for a modest standard of accommodation, local travel in the UK, meals and other incidental expenses. Participants requiring a higher standard of accommodation (for example a 4 star hotel) will need to allow approximately £175 per person per day.

Discount

We offer a 10% discount on the tuition fee if a funding organisation sponsors more than three participants in any one calendar year. Please ensure that when you book your fourth participant (in any one calendar year) you let us know so that we can apply the discount.

Insurance

Participants are advised to arrange travel and health insurance cover before leaving their home country.

Public Administration International (PAI)

PAI specialises in management consultancy and development services for organisations in and associated with the public sector worldwide. We provide advice and support for governments undergoing political, economic, structural and legislative change. Our extensive network of associates includes practitioners, academics and independent consultants. The promotion of good governance and best practice are our key objectives. This programme is one of a number of specialist UK-based study programmes designed to meet the needs of public services worldwide.

Programme Director

The Programme Director is John Mather, C.Eng, MICE. John was formerly with the UK Highways Agency and now works as an independent consultant specialising in total quality management, project-specific partnering and in value and risk management. He has worked for a number of contractors and local authorities, has trained and worked as a Quality Facilitator and has managed several organisational self-assessments against the UK Business Excellence Model.

¹Travel to and from the airport in London and travel on scheduled visits in the programme are provided at cost.

How to apply

Please complete the attached Public Administration International application form and post or fax to:

Clare Walters
Programme Manager
Public Administration International
10 Bayley Street
London WC1B 3HB
UK
T +44 (0)20 7580 3590
F +44 (0)20 7580 4746
pai@public-admin.co.uk

Applications can also be completed online. Please see our website for details: www.public-admin.co.uk

If you would like to discuss the programme or to find out more about Public Administration International and our services, please contact:

Claire Cameron
Director
Public Administration International
T +44 (0)20 7580 3590
pai@public-admin.co.uk

We also have extensive experience of designing tailor-made programmes (from one day to two or three weeks) which can be run in your own country or in the UK to meet the specific needs of groups or individuals at all levels within your organisation. Please contact us if you would like further information.

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